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AMERICA
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WORLD
1984

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INTRODUCTION

For the United States the central event of 1984 was the presidential election. It even seemed as if the world had agreed to a brief pause while America once again sorted out its domestic politics.

But the campaign did not focus on foreign policy, as one might have anticipated early in the year. The President and his challengers could easily have fought the election over Lebanon or Nicaragua, relations with Russia or the world economy. After the American marines were withdrawn from Beirut in February, this defeat could have become a critical vulnerability for the Administration. Yet, as a campaign issue, the Middle East was only sporadically engaged; the Gulf war between Iran and Iraq was barely mentioned. The contrast with 1980 was striking: the Carter Administration had tried to weather the long Iranian hostage crisis and suffered badly at the polls. The Reagan Administration rode out several Middle East crises and was credited for its prudence.

Similarly, it had seemed that Central America would be a major issue. The United States was being drawn deeper into the conduct of a secret war against the Marxist regime of Nicaragua, and the mining of Nicaraguan harbors suddenly brought the conflict to the forefront of American politics. The result was stronger congressional resistance to further American aid for the anti-Sandinistas. There were Democratic attacks on the "illegal war." But, surprisingly, negotiations with Nicaragua began after a visit to Managua by Secretary of State George Shultz, and the issue gradually receded in the campaign. Both candidates seemed to agree that the United States did indeed have significant interests at stake and that no simple solutions were available. El Salvador also faded as a point of controversy after the undeniable success of José Napoleón Duarte in winning two elections in March and May, and then in opening negotiations with the opposition guerrilla forces in October.

One was forced to conclude that memories of the Vietnam War still cast a long shadow over American foreign policy. The Administration escaped political damage from its debacle in Lebanon, for the alternative seemed a dangerous plunge into another quagmire. And in Central America, despite alarums

and military maneuvers, there was no popular sentiment for outright American military intervention. Thus, the Administration did not suffer politically for getting out of Lebanon or for staying out of Central America.

One foreign policy issue *was* injected into the campaign: the Reagan Administration's conduct of nuclear diplomacy and its poor relations with the Soviet Union. The President was repeatedly attacked for his failure to reach any arms control agreements or meet with the top Soviet leaders—the first President since Truman with such a record. The Democratic candidate, Walter F. Mondale, advocated a nuclear freeze and was willing to negotiate with Moscow on President Reagan's "Star Wars" plan. Indeed, Mr. Mondale's advisers insisted that war and peace was the basic issue in the election. Opinion surveys gave evidence of the President's potential vulnerability on these issues. Then, in a bizarre turn of events, it was the Soviets who undercut the charges against the Administration by offering to open new arms talks on outer-space weapons. Though this proposal foundered, Moscow dispatched Andrei A. Gromyko to meet with the President in late September. After that, criticism of the Administration on Soviet and nuclear issues was more difficult to sustain.

The President won a stunning victory by the widest popular margin in American history. But it was difficult to define with any precision his mandate in foreign policy. One could argue that it was an endorsement of the more moderate and cautious posture that he had carefully constructed throughout 1984, in contrast to the harsher rhetoric of 1981–83. Other supporters argued that the election was a vindication of the President's tougher stance during his entire first term. In any case, the net result seemed to be that, as the second term began, President Reagan stood closer to the center than he had four years earlier. Whether this would be translated into new or different policies was the intriguing question for 1985.

If there was an overriding theme for the United States in 1984, it was the strong feeling of renewed national pride, of self-confidence restored. America was experiencing a new nationalism, celebrated at the Olympic pageant in Los Angeles. It was no accident that Mr. Reagan made this new mood the main theme of his reelection campaign. Confirmed in office, the President faced the question: what would be the broad direction of American policy in a second term? How would

pride and self-confidence translate into operational foreign policies?

There were many who argued that this new national self-assertiveness was a healthy trend to be encouraged even if it was tinged with neoisolationism. It was perhaps a portent that in 1984 the United States withdrew from UNESCO and fought the jurisdiction of the World Court without any political backlash. In this same vein, the annual ritual of congressional threats to pull out of Europe seemed more serious than usual because the idea had powerful supporters in the Senate. National assertiveness was evident in threats to deal summarily with terrorists, even if this meant acting preemptively and at the cost of innocent lives. And, almost ten years after the fall of Saigon, a significant new debate on the relationship between military power and political goals was initiated by Secretary of Defense Caspar Weinberger.

America was intrigued and appalled by two clashing visions: the first, one of ultimate security from the nuclear threat by creation of a Maginot Line in outer space, the second, of an ultimate catastrophe for mankind in a "nuclear winter." Both visions reflected the growing apprehension that the old formulas of nuclear deterrence were no longer satisfactory. A new effort to ease tensions between the superpowers was obviously desired and welcomed.

It may well be that 1984 will be remembered as the end of the five-year period that began with the Soviet invasion of Afghanistan. A new period seems to be starting, but its nature has yet to be defined. The last five years should have been sobering for both superpowers, but as arms control talks resumed, no one seemed very optimistic. Predictions on both sides were carefully guarded, and rightly so.

There was, of course, much more to 1984 than a pause for the American elections and the resumption of the superpower dialogue. The world may have been waiting for the United States, but it was not standing still. The pattern of years previous was curiously reversed. The United States has passed through almost two decades of political change and turmoil, but in 1984 opted decisively for continuity. Elsewhere in the world, political change (and crises) seemed to be accelerating.

There was the tragedy of Indira Gandhi's assassination. Though her son would continue her administration, backed by a strong election victory, what the change would mean for India and the area would not be clear for some time. Even

when relations were strained between India and the United States, as they often were, we took for granted (and were partly reassured by) a tough-minded nationalism under Mrs. Gandhi's shrewd leadership. A vacuum could be dangerous because it would occur in an already tense region.

The war in Afghanistan continued, bringing with it new Soviet military campaigns and greater pressures on Pakistan. The chances of ending that war, however, seemed no nearer in 1984. The Soviets could not prevail, nor could the resistance drive out the Red Army. Added to that conflict were the long-term uncertainties in neighboring Iran. Most frustrating was that the United States had only a limited ability to shape the future in this area, even though its interests were clearly involved in the Gulf as well as in the Indian sub-continent.

In the Middle East another major world figure almost literally disappeared: Menachem Begin. His political followers and allies in Israel were suddenly left to fend for themselves when he withdrew into seclusion. The result was a national election that brought to power a broad national coalition, led by Begin's adversary, Shimon Peres. Begin left a legacy of peace with Egypt and war in Lebanon. History would judge which would have the more enduring impact.

In 1984 the Soviet leadership also changed. Yuri Andropov died in February, and was replaced as the party's general secretary by Konstantin Chernenko. The new leader seemed to consolidate his political position during the year, but his health was also in question. With the death of Defense Minister Dmitri Ustinov, the Kremlin's old guard continued to dwindle, and the rough outlines of the next generation of Soviet leaders began to take shape. Mikhail Gorbachev and Grigory Romanov were names to reckon with. Perhaps 1985 would help explain what a generational change might mean to the Communist leadership of the U.S.S.R.

Special mention must be made of Poland and the brutal torture and murder of Father Jerzy Popieluszko by officials of the Polish government. Just as "normal" relations were in prospect, as the United States lifted sanctions, this incident reminded the world that the Polish revolution was far from over, and certainly would not be ended by trials that sought to cover up the regime's complicity.

Two other world leaders found their administrations headed for deeper troubles: Ferdinand Marcos, the president of the Philippines, and Augusto Pinochet, the military dictator of

Chile. Both appeared determined to cling to power, but they were major question marks for 1985. America's vital interests in the Philippines and in preserving democracy there were beyond question, and a peaceful transition in Chile was obviously in Washington's interest. In both cases, however, the United States had only a limited capacity to orchestrate the outcome.

Even a cursory review of 1984 would have to feature events in China, where the major reforms initiated by Deng Xiaoping were being widely adopted. Twenty years after the beginning of Mao's Cultural Revolution, it seemed that what he had feared most might indeed be taking place: China was following the "capitalist" road. This, of course, was denied, but the changes in this vast country were truly impressive to outside observers. How durable they would prove to be was the question uppermost in the minds of the China-watchers.

There were forces at work in 1984 that were largely independent of personalities. The U.S. economy was still growing, and growing at a faster rate and for longer than had been generally predicted. This was true on the whole for all the industrial countries. The prospects for 1985 were for the expansion to continue. The foreign debt crisis was not solved, but for key Latin American countries (Brazil, Mexico, Venezuela) relief was negotiated and the ability to pay improved as exports dramatically revived. Oil prices were under new pressures that suggested future political problems for OPEC, especially Saudi Arabia, and perhaps for Mexico. Of more immediate concern for the United States were skyrocketing trade imbalances and the adverse balance of payments; the value of the dollar continued to appreciate and the scramble to invest in the United States continued. The United States was on the verge of becoming a debtor nation for the first time since World War I, with all the attendant vulnerabilities. Pressures for U.S. action to reduce its deficits and interest rates were sure to be on the agenda of the next Western economic summit scheduled for the spring of 1985 in Bonn.

Other events at year's end also suggested that a new spirit of nationalism would not permit the United States to escape its world role. The famine in Ethiopia produced an unusually broad public sympathy. But it also created a strange political situation: an American administration, proud of its anti-communist credentials, shipping emergency relief to a country ruled by a regime of newly proclaimed Marxist-Leninists. (The

Ethiopian crisis, incidentally, illustrated the immense power of television, for the famine was well advanced before American public opinion responded to the heartbreaking scenes telecast from Ethiopia.) A related event was the sudden and vehement outcry in the United States against South African racism, apparently ignited by the award of a Nobel Prize to Bishop Desmond Tutu. What had been a festering issue attracted far greater national attention, and loomed as an important moral and political question for 1985.

Awaiting the President in the second term were also the virulent issues that could not be conquered and would not disappear. The world's population was still growing too fast for its political and administrative resources. Vast areas of Africa were threatened by hunger and malnutrition, yet in cruel irony there was likely to be a global glut of grain. Terrorism worsened. And two wars, in Kampuchea and the Persian Gulf, continued.

It is tempting to predict that 1985 will reap a bitter harvest from the delay and procrastination of 1984. But it may be worth remembering that at the outset of 1984—in Lebanon, in Nicaragua, in arms control talks—the trends were discouraging. At this point in early 1985, there is no particular reason to predict a disastrous year for the United States. Indeed, there were some signs that it could be a year of opportunity in some of those areas of foreign policy that had proved so intractable in 1984.

In the pages that follow, our authors survey the major issues and areas of American foreign policy. As usual, they reflect diverse views and offer different conclusions and prescriptions. With Ronald Reagan as the first two-term President since Dwight Eisenhower, some of our authors have taken the occasion to review the President's record in his first term. His "road to détente" is the starting point for a critical review and analysis of America and the World in 1984.

Norman Podhoretz

THE REAGAN ROAD TO DÉTENTE

The conventional wisdom has it that Ronald Reagan was elected to his first term in 1980 largely on the strength of economic considerations. Yet there can be no doubt that a good many voters supported him because they had been growing increasingly worried about the decline of American power and resolve in the face of the growing power and aggressiveness of the Soviet Union. Nor is there any doubt that these voters included a significant number of life-long Democrats (I myself among them), who saw in the Carter Administration—and especially in Mr. Carter's announcement shortly after taking office that it was becoming less and less necessary to contain Soviet expansionism—evidence that the Democratic Party was still in the grip of the neoisolationist forces that had captured it in 1972 behind the candidacy of George McGovern.

It was true that after the Soviet invasion of Afghanistan Mr. Carter had repented of his conversion to McGovernism and emerged as a born-again Truman Democrat. Confessing that the invasion had effected a "dramatic change" in his view of "the Soviets' ultimate goals," he even went so far as to proclaim a new presidential doctrine, reminiscent both in spirit and substance of the doctrine bearing Truman's name which had originally committed the nation to the policy of containment in 1947. The new Carter Doctrine of 1979 warned the Soviet Union that "an attempt . . . to gain control of the Persian Gulf region" would be "regarded as an assault on the vital interests of the U.S." and would be "repelled by use of any means necessary, including military force."

But the new Carter did not confine himself to drawing a line in the Middle East; he also began reversing course in Central America. Earlier in his term, demonstrating that he really had overcome what still earlier he had dismissed as "that inordinate fear of communism which once led us to embrace any dictator who joined us in that fear," Mr. Carter helped topple an already

Norman Podhoretz is the Editor of *Commentary*. His most recent books are *The Present Danger* and *Why We Were in Vietnam*. Copyright © 1985 by Norman Podhoretz.

tottering Somoza regime and enthusiastically threw his support to the new government in Nicaragua despite the fact that it was dominated by the openly communist Sandinistas. Now, when the Sandinistas began acting like communists by moving to eliminate all political opposition, the new Carter cut off American aid; simultaneously he sought to bolster the junta in El Salvador in its struggle against the guerrillas there who were linked to the Soviet Union through their Cuban and Nicaraguan supporters. Here too, then, a line was being drawn.

Finally, Mr. Carter combined these gestures with a heightened enthusiasm for military spending on the one hand and a correlative diminution of enthusiasm for arms control on the other. Having come into office in 1976 with a pledge to reduce the defense budget by at least five billion dollars, Mr. Carter three years later called for a five-percent increase in the defense budget; and having spent an enormous amount of time and energy pressing for the signing and ratification of the second Strategic Arms Limitation Talks treaty (SALT II), he now withdrew it from consideration by the Senate (where not even a Democratic majority could produce enough votes for ratification).

Welcome though all this was to dissident Democrats like myself, many of us interpreted it as an election-year accommodation to the new political climate in the United States which had first shown itself in the outburst of patriotic sentiment during the bicentennial celebrations of 1976 and which had erupted into blazing visibility after the seizure of the hostages in Iran and the Soviet invasion of Afghanistan. In any case, in Ronald Reagan, a former Democrat, we thought we had discovered a more legitimate heir to the mainstream Democratic tradition in foreign policy—the commitment to containment running from Truman through Kennedy, Johnson and Senator Henry M. Jackson—than Jimmy Carter, let alone Mr. Carter's leading Democratic rival, Senator Edward Kennedy. Whereas the Democrats of 1980 seemed to have lost the heady faith in American power expressed by Senator Kennedy's older brother John in 1960, Mr. Reagan wanted to "get the country moving again." In fact, Mr. Reagan could have run under that very slogan without striking a discordant note, since he was calling for the same kinds of policies that it had symbolized for Kennedy in 1960: repair of a military imbalance (the "missile gap" then, the "window of vulnerability" now); a tougher policy toward Soviet expansionism (beginning with

this hemisphere—Cuba then, Central America now); and a more assertive American role “to assure,” as Kennedy put it in his inaugural address, “the survival and the success of liberty.” And when, in office, Mr. Reagan gave key positions to Democrats like Jeane Kirkpatrick, Eugene V. Rostow, Elliott Abrams, Richard Perle and Richard Pipes—all of whom had in one way or another been associated with Senator Jackson—he seemed to be forging a living link between the old Democratic mainstream and his own administration.

II

If, however, a good many of his Democratic supporters saw in Mr. Reagan the hope that the Republican Party would now assume the responsibility for containing Soviet expansionism that had originally been shouldered by the United States under Democratic leadership but that the Democrats since Vietnam had been increasingly eager to evade, others regarded him as the carrier of a quite different political tradition, and one more indigenous to the Republican Party. This was the tradition that regarded containment as a species of appeasement and that advocated a strategy aimed at the “rollback” of Soviet power and the “liberation” of its East European satellites.

It must be acknowledged that those who either hoped or feared that Mr. Reagan meant to pursue such a strategy had reasonable cause. Two decades earlier, in converting from a Democrat to a Republican, Mr. Reagan had thrown in his lot with the most conservative elements of his new party, first coming into public prominence with a speech in support of Barry Goldwater at the 1964 Republican National Convention, and then succeeding Goldwater as the leader of the Republican right. And while in his 1980 campaign the loudest echoes from the past came from the John F. Kennedy of 1960, in his early statements as President Mr. Reagan sounded rather more like John Foster Dulles and the Richard Nixon of 1950—the Nixon, that is, who had denounced containment as a “cowardly” policy and who, like General Douglas MacArthur in Korea, believed that the only alternative to victory over “international communism” was defeat.

Thus, speaking very early in his Administration from the same platform from which Jimmy Carter had declared that containment was growing obsolete, Mr. Reagan referred to communism as a “bizarre chapter in human history whose last pages are even now being written.” Naturally, in turning the

tables on the old Marxist prophecy that capitalism would eventually perish of its own internal contradictions, Mr. Reagan did not suggest that he had any intention of helping the process along by going to war. Nevertheless, the echoes of the liberationist rhetoric of old were inescapably there.

More surprisingly, given the more conciliatory posture Mr. Reagan began to adopt toward the Soviet Union during the 1984 campaign, these echoes were sounded again both by the President himself and his secretary of state, George Shultz, at the very height of that campaign itself. The United States, declared Mr. Reagan in August of 1984, "rejects any interpretation of the Yalta agreement that suggests American consent for the division of Europe into spheres of influence," and a week after, declaring that "the tide of history is with us," Mr. Shultz added: "We will never accept the idea of a divided Europe." Again a note of caution was struck to ward off any suggestion that military means were under consideration ("We may not see freedom in Eastern Europe in our lifetime. Our children may not see it in theirs"). But if the hands here were the hands of Shultz, the voice was the voice of Dulles.

It was in statements like these, coming on top of Mr. Reagan's characterizations of the Soviet Union as an "evil empire" and a "focus of evil," that the Soviets themselves professed to detect an ominous turn in American policy. As one observer, writing in 1984, summarized it after extensive conversations with Soviet officials: "All this sounded to Soviet ears very much like the revival of . . . 'rollback' [and] contributed to the impression that the U.S.S.R. was dealing with a new phenomenon—an Administration that seemed truly and unprecedentedly committed to the goal of doing the Soviet Union in"—or at least of rolling back the Soviet system "right to the gates of the Kremlin itself."¹

Surely, however, to take such professed Soviet impressions of the Reagan Administration at face value was to fall victim to a campaign of disinformation. Perhaps the Soviets had some grounds for apprehension when Mr. Reagan first assumed office, but by 1984, after watching his performance as President for three years, they had no reason whatever to believe that he was trying to resurrect the dream of rollback. On the other hand, they had every reason to pretend to such a belief. For by simulating alarm over the rhetorical belligerency of the

¹ Strobe Talbott, *The Russians and Reagan*, New York: Vintage Books, 1984, pp. 73–74.

Reagan Administration, they could—and did—help to provoke a clamor both in the United States and Europe against the minimal steps the Administration really was taking to shore up a Western position that had deteriorated badly during the years of détente.

Indeed, in any effort to understand the foreign policy of the first Reagan Administration, the beginning of wisdom is to recognize that its overriding purpose was to prevent the balance of military power, and the “correlation of forces” generally, from tilting irreversibly toward the Soviet Union. Mr. Reagan and his people not only said but genuinely believed that the Soviets had been allowed by the misguided policies of the past three Presidents (two of them, of course, Republicans) to achieve a net military superiority over the United States; that this had already spawned political consequences in the form of an increase in Soviet adventurism first in Africa and the Middle East and then in Central America; that unless the United States moved rapidly, both in the military and political spheres, it would be unable to restore a safer balance; and that arms control negotiations would at best retard the ability of the United States to move fast enough and would at worst lock it permanently into a position of inferiority and therefore of extreme vulnerability.

From this assessment of “the present danger,” it followed that the first order of business must be to close the military gap by an immediate refurbishing and modernization of the American military arsenal, both nuclear and conventional, and by the deployment of intermediate-range missiles in Western Europe to match the growing force of Soviet SS-20s. About this Mr. Reagan himself was absolutely clear and steadfast. Against enormous pressures, often coming not only from his Democratic opponents but also from within his own party as his budget deficits mounted, he refused to cut back significantly on military spending. He successfully resisted comparable pressures both within the United States and in Western Europe to back away from deployment of the Pershing II and cruise missiles. He adroitly avoided (though not without considerable help from the Soviets) arms control negotiations that might have jeopardized his military programs. He used the prestige of his office to fight against newly fashionable proposals such as the nuclear freeze and the doctrine of no first use of nuclear weapons which would have prevented both the modernization of the American arsenal and the deployment of intermediate-

range ballistic missiles in Europe. And finally, he authorized further research on and development of a system of strategic defense in the hope that it would provide a better way than arms control to neutralize the threat of a Soviet first strike.

Clear and steadfast as he was in the matter of military hardware, Mr. Reagan recognized with equivalent clarity that the balance of power could not be repaired by hardware alone. It was also necessary to restore a willingness to use the military hardware that Americans were once again willing to buy. Here the main obstacle was cultural. Not perhaps since the 1930s in England had the idea of using military force fallen into such widespread disrepute as it did in the United States in the aftermath of the American experience in Vietnam. Whatever other "lessons" Vietnam might have been thought to yield, the one that seemed to take deepest root in American culture was that military force had become, or was at any rate on the way to becoming, obsolete as an instrument of American political purposes in the Third World.

This putative lesson had already been drawn by a number of prominent people in connection with the oil embargo of 1973, when a tiny and militarily powerless nation, Saudi Arabia, demonstrated that it could blackmail and exact tribute from a superpower like the United States. But it took the sight of American helicopters scrambling desperately out of Saigon almost two years later to drive the idea home. No matter that, strictly speaking, the United States had not been defeated militarily in Vietnam; the fact remained that the nation had poured virtually everything it had short of nuclear weapons into Vietnam in order to prevent a takeover of the South by the North, and it had failed.

When to these considerations was added the ever-mounting tide of *nuclear* pacifism—the belief that no rational purpose whatsoever could be served by the use of nuclear weapons—the Clausewitzian law that war is the continuation of politics by other means seemed well on the way to being repealed so far as the American political culture was concerned. The upshot was, as Meg Greenfield of *The Washington Post* observed, that even many Americans who insisted there were places where they would favor military action "never could seem to think of one this side of San Diego," and if American action meant using nuclear weapons, not even anything this side of San Diego would in their view be worth defending.

All this posed—and continues posing, as witness Secretary

of Defense Caspar Weinberger's specifications this past November of the six conditions which must be satisfied before American troops can be committed to combat—a formidable obstacle to the resurgence of the American will to use military force under any circumstances, or even, ultimately, to threaten its use as a deterrent. Recognizing the problem, Mr. Reagan worked hard to cultivate and nourish the countervailing spirit of American nationalism (or "the new patriotism," as it came to be called), the earliest political consequence of which had been his own election to the presidency.

In pursuit of this purpose, Mr. Reagan made free and frequent use of patriotic language and engaged in an unembarrassed manipulation of patriotic symbols; he lost no opportunity to praise the armed forces, to heighten their morale, to restore their popular prestige; and he repeatedly announced as an accomplished fact that the United States was "standing tall" again. Although he disclaimed any intention of "sending American combat troops to Central America," or for that matter anywhere else, he said over and over again that the United States could be counted upon to honor its military commitments to its allies. When, finally, he did send American troops into action, in Grenada, he not only succeeded in his stated objective ("to restore order and democracy") there; he also helped to restore confidence here in the utility of military force as an instrument of worthy political purposes.

In offering this analysis, I do not mean to suggest that I agree with those who accused the Reagan Administration of "militarizing" the American conflict with the Soviet Union, and of seeking military rather than political solutions to the problems of Central America. It was simply preposterous to accuse Mr. Reagan of provoking an arms race when, after a decade of cutting its military expenditures as the Soviet Union—having already enjoyed a great advantage in conventional forces—first achieved parity and then began to pull ahead in its nuclear arsenal as well, the United States at last decided on a significant increase in defense spending in order to start catching up. So too with Central America, where under Mr. Reagan only one-quarter of the American aid and a similar proportion of the American personnel were military (the rest of the aid being economic and the rest of the personnel being journalists).

I would, however, concede that these tendentious charges of militarization contained this much truth: that Mr. Reagan and

his people were much clearer and more consistent in dealing with the military dimension of American power than they were in defining the strategic objectives toward which American power was to be directed.

III

In the early days of his Administration, Mr. Reagan and his first secretary of state, Alexander M. Haig, Jr., reaffirmed the commitment made by Jimmy Carter to prevent a Soviet move into the Persian Gulf. They also declared that the United States would not tolerate any further extension of communism in Central America, and they called publicly on the Cubans and the Nicaraguans (and privately on the Soviet Union) to stop the flow of arms to the Marxist-dominated guerrillas in El Salvador. At the same time, going beyond his blunt and unusually harsh verbal attacks on the Soviet Union as an "evil empire" and a "focus of evil," Mr. Reagan attempted to seize the offensive in the ideological conflict between East and West.

In proposing this offensive, Mr. Reagan offered a sharp and salient contrast to the three Presidents who came before him. His immediate Republican predecessors, Richard Nixon and Gerald Ford (both working with Henry Kissinger), had tried to tone down the vivid ideological coloration which had been given to the U.S.-Soviet conflict by *their* predecessors, and to redefine the conflict in more traditional terms as a great-power rivalry. Jimmy Carter, Mr. Reagan's immediate Democratic predecessor, finding realpolitik in the Kissinger style deficient in the moral fervor he himself favored, sought to supply the lack by assigning to the United States a responsibility for protecting and establishing human rights everywhere in the world. Yet, far from reinvigorating the ideological passions that had once been aroused in the American soul by the struggle with the Soviet Union, the new emphasis on human rights tended to dilute such passions through diffusion and generalization. In practice it also diverted attention away from the Soviet Union itself and toward rightist dictatorships like Iran under the Shah and Somoza's Nicaragua, whose friendly relations with the United States made them all the more vulnerable to American pressures.

This diversionary effect was by no means an accidental or unintended consequence of Mr. Carter's foreign policy. On the contrary, it was entirely congruent with his belief that the struggle between East and West was growing "less intensive"

and was being superseded in importance as a threat to peace by a world "one-third rich and two-thirds hungry." The focus, therefore, must now shift from East-West to North-South—away, that is, from the Soviet Union (except as a partner in arms control) and toward the Third World.

As against Mr. Carter's fixation on the Third World, Mr. Reagan tried to bring the East-West conflict back into the center of American consciousness. So far as he was concerned, Soviet expansionism remained the greatest threat to peace, and while he neither believed nor said that the Soviet Union was responsible for all the ills on earth, he did believe and did say that the Soviet Union more often than not was using its new global reach to exacerbate troublesome situations in Africa, the Middle East and Central America. (As for the threat of a world "one-third rich and two-thirds hungry," Mr. Reagan proposed to deal with it not through a program of global redistribution but by encouraging the kind of capitalist enterprise that was generating prosperity in such countries of the "South" as Korea and Taiwan.)

In thus bringing the Soviet threat back to the center of his foreign policy, Mr. Reagan was reestablishing a link with the Nixon-Kissinger view of the world. But there was also a dramatic difference. As against the great-power realpolitik of Mr. Nixon and Dr. Kissinger, Mr. Reagan tried to redefine the East-West conflict once again primarily in ideological terms. Speaking to the British Parliament where, he said, was enshrined "the enduring greatness of the British contribution to mankind, the great civilized ideas: individual liberty, representative government, and the rule of law under God," he deplored "the shyness of some of us in the West about standing for these ideals that have done so much to ease the plight of man and the hardships of our imperfect world." Ronald Reagan had no intention of allowing the United States to remain in so shy a condition. Accordingly he called for a "campaign" to assist and further "the democratic revolution" that, he told the British Parliament, was "gathering new strength" all over the world—and even within the Soviet Union itself, not to mention its East European empire.

Yet, if the Soviets really interpreted all this to mean that the Reagan Administration "was truly and unprecedentedly committed to the goal of doing the Soviet Union in" and of rolling back the Soviet system "right to the gates of the Kremlin itself," they must have been utterly bewildered by the policies

the Administration actually followed. Why, for example, would an Administration intent on "doing the Soviet Union in" lift a grain embargo which, while not exactly calculated to topple the communist system, was nevertheless helping to aggravate the very internal economic difficulties that Mr. Reagan cited as a symptom of instability and decline? More pointedly, why would an Administration committed to rollback fail to exploit an event like the Polish crisis of 1981-82?

When Hungary erupted in 1956, the foreign policy of the United States was in the hands of a man supposedly dedicated to the liberation of Eastern Europe, but John Foster Dulles stood by and watched Soviet tanks crush this heroic uprising because the only alternative seemed to be a military response by the United States that might have unleashed a third world war. The same fear restrained Lyndon Johnson when Soviet tanks went into Czechoslovakia in 1968: short of embarking on unacceptably dangerous military measures, there was nothing the United States could do, and so the United States did nothing but register verbal protests. By contrast, when martial law was declared in Poland—a step almost universally understood to have been taken as a substitute for a Soviet invasion to crack down on the Solidarity movement—the United States was in a position to do more than light candles on Christmas and produce a disapproving television program. Thanks to the inability of the Poles to pay the interest on their debts to Western banks, there was an opportunity to keep the crisis at a boil by declaring Poland in default. No risk of war was posed by such a policy, and yet from the haste with which the United States, and even more the West Europeans, shrank from it, one might have thought that they expected the Soviets to launch a nuclear strike if the West refused to roll over the Polish loans.

There were, of course, strictly financial considerations involved in this decision; moreover, the Reagan Administration was acting not alone but under severe pressure from the West Europeans (who carried the bulk of the Polish debt). Even so, the fact remained that, given an opportunity to do something neither imprudent nor reckless to further a process of disintegration within the Soviet empire, the Reagan Administration chose to go in the opposite direction. That is, it cooperated with the Soviets and their Polish surrogates in quieting the situation down instead of stepping aside and letting an internal rebellion against Communist rule (which, in contrast to the

Hungarian uprising of 1956, the United States had done nothing whatsoever to encourage) take its course and work itself out.

Whatever the merits of this choice of rollover as against rollback, there was simply no way it could be reconciled with the idea that Mr. Reagan was trying "to do the Soviets in." It was, however, entirely consistent with the so-called Sonnenfeldt doctrine, according to which the disintegration of the Soviet empire in Eastern Europe would be so dangerous, so pregnant with the risk of a general war, that continued Soviet control over those countries must paradoxically be considered a vital interest of the West.²

So far as I know, it has never been suggested that this doctrine should be applied to other areas of Soviet imperial influence or domination like Afghanistan and Angola. Yet despite Mr. Reagan's praise of the "freedom fighters," as he did not hesitate to describe them, struggling against Soviet troops or their Cuban surrogates in those countries, the increase during his first term in the level of American military aid to the anti-Soviet Afghans was clearly not large enough to make a decisive difference; nor, to put it mildly, was there any visible increase in American diplomatic support for the anti-communist guerrillas in Angola.

But if Afghanistan and Angola were to be left more or less to the play of local forces, and there was to be no rollback in Europe, what about Central America, and specifically Nicaragua? Was rollback to be the policy there? Here it must be said that the Reagan Administration would in all probability have openly and proudly supported toppling the Sandinista regime if not for the Boland Amendment and similar congressional measures prohibiting such a policy (as against one merely aimed at preventing the flow of arms from Nicaragua into El Salvador or exerting pressure on the Sandinistas to honor their old promises of democratic reform). Under the circumstances, the Administration had to be content with circumventing these restrictions as best it could.

It is, however, important to recognize that even under the rules of détente the United States would not be required to acquiesce in the takeover of Nicaragua by a communist regime—certainly not one allied to Cuba and the Soviet Union and dedicated to sponsoring a "revolution without frontiers"

² Helmut Sonnenfeldt himself has disclaimed authorship of this doctrine. But, even though he is not its author, it was and continues to be implicit in American policy.

in this hemisphere. Indeed, when the Reagan Administration attempted to deal with the communist threat to El Salvador and the growing aggressiveness of the Sandinistas in Nicaragua by issuing warnings to the Soviets and by hinting that new pressures would be brought against Cuba, it was acting in a way entirely consistent with détente as defined by no less an authority than Richard Nixon. That is, it was trying to correct a violation by the Soviets of the agreement to restrain third parties whose activities might bring the superpowers into direct conflict. Against this background, the invasion of Grenada assumed a greater significance than the size of that tiny country or the scale of the military operation might suggest. For it showed that the Reagan Administration was serious in serving notice to the Soviets that the United States meant to resume policing the "rules of the game," and that public opinion was no longer the insuperable barrier to the use of military force for this purpose that it had been since 1975.

Mr. Reagan, in short, may have dreamed of a democratic revolution in Eastern Europe, but he had no intention as President of the United States of sponsoring or even encouraging one. By the same token, if he could help it, the Monroe Doctrine, threadbare though it had grown, was not going to be replaced by the Brezhnev Doctrine in the Western hemisphere.

IV

Thus far, in everything but name, we have détente as Mr. Nixon now conceives it: a "hard-headed" détente, involving "strength of arms and strength of will sufficient to blunt the threat of Soviet blackmail." Mr. Nixon stresses the military element in order to distinguish his idea of détente from Mr. Carter's which he, like Mr. Reagan, evidently regards as scarcely distinguishable from appeasement. Yet the enormous irony is that in the economic sphere Ronald Reagan, the great critic of détente, whether of the Nixon or the Carter variety, and the man who as President was accused of trying "to do the Soviets in," did not even measure up to the standards of toughness required by Mr. Nixon's theory.

To be sure, questions have been raised about the degree to which Mr. Nixon himself lived up to his theory as President. But whatever Mr. Nixon's practice in office, his most recent theoretical prescription for hard-headed détente in the non-military sphere brings into play "a mixture of prospective

rewards for good behavior and penalties for bad behavior that gives the Soviet Union a positive incentive to keep the peace rather than break it"—in a word, linkage. Mr. Reagan had endorsed this idea in his 1980 campaign and it was reaffirmed in office by Mr. Haig, who later defined it as "the concept that any improvement in relations between Moscow and Washington had to be linked to an improvement of Moscow's behavior in the world." Yet in his 1980 campaign Mr. Reagan had also promised American farmers to lift the grain embargo instituted against the Soviet Union by Mr. Carter in response to the invasion of Afghanistan. The two promises were contradictory, and in choosing to keep the one to the farmers rather than the one to the Soviets, Mr. Reagan demonstrated, as he would do even more unmistakably in the Polish crisis, that the Soviets had little to fear from American "penalties for bad behavior" and little to gain in the way of "prospective rewards for good behavior" that they were not already getting for bad.

With this, among other things, in mind, and friendly though he was to the Reagan Administration, the columnist George Will was moved to describe it as an Administration that loved commerce more than it loathed communism—a jibe that could with even greater justice have been directed at the West Europeans. Mr. Reagan at least tried to stop the Europeans from subsidizing the construction of a gas pipeline which would not only help the Soviet economy but make the Europeans vulnerable to blackmail in some future crisis: this while Soviet troops were still ravaging Afghanistan and while new Soviet missiles aimed at Western Europe were being added almost daily to an already overpowering arsenal. But here even Mr. Haig, the great believer in linkage, was willing to sacrifice it for other objectives—in this case alliance solidarity—and Mr. Reagan was persuaded to back down. Again the Soviets were taught that they had nothing to fear from linkage; and in the virtually inconceivable event that they were too dense or too irrational to absorb the lesson, it was spelled out explicitly by Mr. Haig's successor as secretary of state, George Shultz. Exactly four years after Mr. Reagan had said "I believe in linkage," Mr. Shultz repudiated it: "In the final analysis, linkage is a tactical question," he said. "The strategic reality of leverage comes from creating facts in support of our overall design."

If, then, Mr. Reagan often sounded like John Foster Dulles, he also exhibited the kind of caution which always marked

Dulles' policies, for all the latter's liberationist rodomontade. (Dulles, said his French counterpart, Georges Bidault, "was always talking of 'calculated risks,' which in practice most often meant that he calculated a great deal and risked nothing.") Indeed, if we compare how the Administration in which Dulles served responded to a crisis in Lebanon with how the Reagan Administration reacted to a crisis in the same country, we find that in the use of military power Mr. Reagan was much more restrained than even his cautious predecessor. Under Eisenhower, the marines were landed in Lebanon to prevent a possible takeover by anti-Western Arab radicals tied to Syria and backed by the Soviet Union. Under Mr. Reagan, the United States gave half-hearted support to its Israeli ally in a war aimed at driving anti-Western Arab radicals, also tied to Syria and backed by the Soviet Union, out of Lebanon; and when the marines were sent in, the purpose was to prevent the Israelis from finishing the job. Worse still, in spite of all the talk about retaliation that came from the Reagan Administration, and despite the high priority it had always given to combating international terrorism, when those marines were attacked by terrorists, the United States did nothing.

Nor did the Reagan Administration ever follow through on its early efforts to forge a "strategic consensus" of pro-Western states in the Middle East that would include Israel and that would compensate for the loss of Iran as the "policeman" of Western interests in the region and the main bulwark against a Soviet move to control the Persian Gulf. This new approach—which had been endorsed by Mr. Haig, by the President's first national security adviser, Richard V. Allen, and then by the President himself—also meant the stationing of American ground forces in the region to serve as a "tripwire." But the first breath of Saudi opposition to the idea blew it away.

In allowing the Saudis to kill a bold and original initiative which might just possibly have circumvented the intractable Arab-Israeli conflict while shoring up a dangerously vulnerable vital interest, the Reagan Administration was—in a different set of circumstances but yet again—favoring commercial considerations over its anti-Soviet passions. The dangerous vacuum left by the fall of the Shah in Iran thus remained, and all that was left to address the Arab-Israeli conflict was a new Reagan version of the old Rogers Plan which, because it depended on Jordanian willingness to recognize and negotiate with Israel

over the disposition of the West Bank, was doomed to failure as a nonstarter.

There was, finally, one other area in which Mr. Reagan's anti-communist passions were forced to give way, and that was in relations with China. Here, however, the pressures had little or nothing to do with commerce and everything to do with geopolitics. No doubt Mr. Reagan would have been happier to act as President on his old belief that Taiwan was the real China, and he even made a few feints in the direction of increased support for Taiwan after moving into the White House. But, before long, relations with China began to resume the course on which they had been set by another passionately anti-communist Republican President whose anti-communism had yielded to the opportunity presented by the Sino-Soviet split for playing one communist power against another.

If Mr. Reagan had been as great an ideologue as he was often said to be, he might have taken the position that the loss in clarity of ideological purpose entailed by this policy was greater than any advantage that so economically backward and militarily weak a nation as China could bring to the balance of power. But Mr. Reagan, while perhaps more swayed by ideological conviction than most professional politicians, showed in his first term (as he had already demonstrated, when governor of California, to those with eyes to see) that for better or worse he was more politician than ideologue.

As such he would go only so far, and no farther, against the pressures of public opinion, and the resistance of the media and the permanent government; he would wherever possible cut his political losses after doing anything risky or unpopular; and in the face of serious opposition, he would usually back down even from a policy to which he was personally devoted.

This at least partly explains why Mr. Reagan in his first term failed to steer the nation away from the course of détente on which it had been moving since 1972 and toward a new strategy of containment aimed, just as the original conception of containment had been, at a prudent encouragement of the forces of disintegration already operating entirely on their own within the Soviet empire.³ If Mr. Reagan had seriously tried to effect

³ It is often forgotten, not least by George F. Kennan himself, that this was the original idea behind containment. As spelled out in the famous article Mr. Kennan wrote under the pseudonym "Mr. X" ("The Sources of Soviet Conduct," *Foreign Affairs*, July 1947), the object of containment was to promote "tendencies which must eventually find their outlet in either the breakup or the gradual mellowing of Soviet power"; and it was clearly the former that seemed to Mr. Kennan the more likely of the two alternative outcomes.

such a change of direction, he would have run into conflict not only with European opinion, but also with powerful interests in the United States; and this conflict would have entailed greater risks than Mr. Reagan the politician was evidently willing to take in supporting the convictions of Mr. Reagan the ideologue. As President, therefore, he was swept inexorably along by the conceptual momentum and institutional inertia of the recent past.

V

Campaigning for a second term, Mr. Reagan chose as his slogan "America is Back." The truth was that, as compared with what the country had become under the policies followed by the Carter Administration in its first three years in office, America *was* back—in at least the sense that it would no longer passively acquiesce in the achievement of an irreversible military superiority by the Soviet Union and that it was no longer prepared (in Mr. Haig's words) to "accommodate [itself] to the inevitable loss of the world to Moscow." Yet neither was the United States under Mr. Reagan prepared, as it had been only 20 years earlier under John F. Kennedy, to "pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, to assure the survival and the success of liberty."

Of course Kennedy's nominal successors in the Democratic Party of the 1980s were even less prepared to undertake this commitment than the Republicans under Mr. Reagan (not to mention the so-called moderate or liberal Republicans who hoped to succeed him). To an unhappy dissident Democrat like myself, this meant that in 1984 Mr. Reagan, for all the deficiencies that showed up in his first term, was preferable to Walter Mondale or any of Mr. Mondale's rivals. As the Democratic Party was now constituted, a Mondale administration would in all likelihood have set out to undo even Mr. Reagan's minimal efforts to prevent the Soviets from consolidating the military superiority they have already all but achieved; it would have reversed even the inhibited attempt by Mr. Reagan to prevent the spread of Soviet-backed communist regimes in Central America; and it would have pushed the United States further in the direction of isolationism and appeasement.

But, if Mr. Reagan was preferable to Mr. Mondale, I see no point in self-deception about the likely course he will take in his second term. Here the earliest clue could be found in some

of Mr. Shultz's statements during the campaign about the future of Soviet-American relations. The United States, Mr. Shultz said this past October, having in the last four years "put the building blocks in place" in the form of a restoration of the military balance, was now ready not for a more vigorous policy of containment or an even more forward strategy of victory, but rather for what "could be a most productive period in Soviet-American relations."

That this statement, like similar ones made by the President himself at the United Nations and elsewhere, was something more than an election-year reassurance became clear shortly after Mr. Reagan's great victory in November, when, despite the fact that the military balance had *not* yet been restored, he resumed arms control talks with the Soviet Union. But I believe that the Reagan Administration's election-year rhetoric also pointed beyond arms control and toward a broader and more ambitious objective.

In his first term Mr. Reagan proved unwilling to take the political risks and expend the political energy that a real break with the underlying assumptions of détente would have entailed. Finally, however, overwhelmed by the pressures of the political present, and perhaps lured by seductive fantasies of what historians in the future might say of him as a peacemaker, Mr. Reagan seems ready to embrace the course of détente wholeheartedly as his own. Thus, upon being asked by a reporter at a press conference in January whether the Shultz-Gromyko meeting just concluded in Geneva "might lead to the new era of détente that Mr. Chernenko called for last November," Mr. Reagan replied: "Yes, we would welcome such a thing as long as it was a two-way street."

What this means is that we can expect negotiations with the Soviet Union not merely on arms control but toward an agreement along the lines of the Basic Principles of Détente of 1972. As Mr. Reagan himself explicitly put it in his post-Geneva press conference: "we very definitely are trying to arrive at a position in which we can settle some of the other bilateral and regional issues, and trade matters, that are at odds between us."

At the same time, Mr. Reagan seems to be heading toward a deal in Central America broadly modeled on the one that concluded the Cuban missile crisis in 1962. In that settlement, which foreshadowed the weakening and eventual abandonment of the Democratic Party's commitment to containment, the Kennedy Administration accepted a communist Cuba in ex-

change for the withdrawal of Soviet missiles from Cuban soil. Similarly, Mr. Reagan may well accept a communist Nicaragua in exchange for a promised withdrawal of Cuban and Nicaraguan support for the communist insurgency in El Salvador. Alternatively, the 1962 Declaration on the Neutrality of Laos might serve as the model for an agreement under the Contadora process calling for the withdrawal of all foreign forces from the area.

Yet there is no reason to believe that agreements of this kind will restrain the Soviets or their Latin American clients and surrogates any more effectively the second time around than they did the first. North Vietnamese forces were not withdrawn from Laos after 1962; détente did not prevent the Soviets from forging ahead both militarily and politically; and the missile deal set the stage for an active Cuban role in that very process of Soviet expansion. If, then, Mr. Reagan should move in this direction, he will cruelly disappoint those of us who once hoped that he might lead the Republican Party into assuming the responsibility for resisting Soviet imperialism that he himself had so often and justifiably attacked the Democrats for no longer wishing to carry.

Leslie H. Gelb
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FOUR MORE YEARS: DIPLOMACY RESTORED?

Nineteen hundred and eighty-five begins as a year of promise in world affairs. The Soviet Union has returned to the bargaining table with the United States after a year's hiatus. The Middle East is relatively quiet despite the violence in Lebanon. The situation in Central America is unhappy but seemingly stalemated. Nowhere are American forces engaged in combat. No catastrophes hover over President Reagan as he begins his second term.

Nineteen hundred and eighty-four marked a passage of sorts for the Reagan Administration. After three years of stifling rhetoric and inaction, the White House and the State Department returned to more traditional diplomatic forms—moderate words that allow for compromise, and actual engagement with adversaries previously shunned. Of equal importance, President Reagan and Secretary of State Shultz assert that the Administration has restored America's position and power in the world, and that on this basis they are ready to pursue diplomatic ends.

As always, however, the picture is decidedly mixed. On the plus side, Mr. Reagan has generally succeeded in generating positive perceptions of the United States, of a nation on the move while its chief adversary is in decline. For the most part, nations are treating the Reagan Administration with respect and looking to it for leadership.

Uncertain still is how much the Administration has actually improved American military and economic power. Upon closer inspection, America's gains in these categories over the past four years may turn out to be less impressive and enduring than they are commonly portrayed. Likely, they fall far short of the position of strength the Administration may feel it

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requires in order to compel others to bend toward American desires. And on the negative side, the Administration will find that the world it now wants to engage presents a frozen diplomatic landscape. This is due in part to the lack of Reagan diplomatic accomplishments and in part just to the way the world is, filled with enduring animosities and real conflicts of interest, and with circumstances where leaders are in fact seldom strong enough to impose their wills or resolve their differences.

Of more immediate and practical concern is whether the Administration, its new promises notwithstanding, is sufficiently led, organized and disposed to the sustained attention and kinds of compromises necessary to the conduct of more traditional diplomacy. Mr. Reagan's staunchest conservative supporters are arguing that his first term was right on course, and that he should stick with it. Better no agreements with adversaries than agreements that compromise American principles and interests, they contend. Besides, they are saying, the United States is still inferior militarily to the Soviet Union, and the Administration is not yet ready to negotiate from strength.

But the conflicts of the world will not stop or stop compounding until the United States is prepared to resume the role of peacemaker. Mr. Reagan can count himself fortunate thus far that he has not faced the difficult choices of his predecessors. But he cannot count on such continued good fortune. For the kinds of achievements the President now insists are his most cherished goals, he will have to turn his back on some of his most basic professions of faith.

II

The Reagan philosophy, as the President explained it in 1980 and 1981, represented a radical departure from the foreign policies of the previous decade. Presidents Nixon, Ford and Carter had consistently, albeit in different ways, conducted foreign policies that were adjusting to the changed world. Each pursued an active diplomacy to compensate for the diffusion of international power that had become so evident by the late 1960s. Ronald Reagan reversed the logic: Washington's policies should not have to adjust to the world—a strong reassertive America could make the world adjust to Washington.

To understand how sharp the Reagan departure was, one must recall the evolution in American thinking about foreign policy during the 1960s. In the halcyon years of unequaled

American power after World War II, the United States had essentially pursued policies of deterrence through the threat of force. Diplomacy with the Soviet Union was subordinate to simple deterrence. President Eisenhower was periodically intrigued by new diplomatic opportunities, but Secretary of State John Foster Dulles slowed the progression of such policies, and Eisenhower then ran out of time.

Presidents Kennedy and Johnson were more prepared to deal with the Soviets. There was some progress after the Cuban crisis, and a limited nuclear test ban treaty was achieved. But the impulse for diplomacy, either with Moscow or in troubled regions, was increasingly diverted by the demands of the Vietnam War. When Lyndon Johnson called on others to reason together with us, his audience was his opponents in Vietnam. He could not find a larger diplomatic stage on which to operate. Foreign policy had become Vietnam policy.

Yet throughout the 1960s, more and more analysts were finding in Vietnam a fundamental conceptual error in American foreign policy. It was time, they argued, for America to recognize that the world had changed. Our strength was newly limited, not by a loss of American will, but by a profusion of new nations and a diffusion of military as well as economic power. This called, they argued, for adjustments, both in defining a more careful hierarchy of our interests and in how we pursued them.

It was not only liberals who were thinking these thoughts. Henry Kissinger wrote in 1968:

For most of the postwar period, America enjoyed predominance in physical resources and political power. Now, like most other nations in history, we find that our most difficult task is how to apply limited means to the accomplishment of carefully defined ends. We can no longer overwhelm our problems; we must master them with imagination, understanding and patience.¹

In 1969, Richard Nixon well understood the point Kissinger had made. He proclaimed the end of the postwar era in international relations, and laid out a series of new policy directions in which a new emphasis on *diplomacy* would help compensate for a reduction in America's relative strength. No longer possessing a preponderance of power, the United States would maneuver within a sustained balance of power. And

¹ Henry Kissinger, *American Foreign Policy*, New York: Norton, 1969, pp. 117–18.

under President Nixon important diplomatic achievements were attained: in the Strategic Arms Limitation Talks (SALT I) agreements, in the opening to China, in the disengagement of Egyptian and Israeli forces in the Sinai.

President Nixon was struggling not only with changed international realities, but with basic changes in the domestic politics of foreign policy as well. Ever since World War II, the American public had insisted that its presidents' foreign policies successfully serve two goals: containing the spread of communism and Soviet influence, and keeping America at peace. Of course, the two goals were sometimes contradictory. But any politician who failed to promise both, and any president who could not produce both, was penalized at the polls.

Mr. Nixon found his way between the Charybdis of war and the Scylla of appeasement by winding down American participation in Vietnam while proclaiming policies of peace *with honor*. He was able to avoid reaction on the right to his recognition of a new era largely through his wars with the left. The attacks on him by the anti-war movement helped shield him from suspicions of softness. His tough rhetoric and emphasis on a sustained balance of power strengthened the shield.

Nevertheless, when Mr. Nixon was gone and the war was over, hard-liners who found Henry Kissinger's policies of adjustment at best distasteful, and at worst un-American, went on the attack. To accommodate either our goals or our diplomacy to a changed world would become a self-fulfilling admission of weakness, they argued. The attack on Mr. Kissinger within both the Democratic and Republican parties focused on his historical pessimism and his acceptance of the view that we could not order the world in the way we wished. For the Democrats, it was his lack of concern about the internal policies of other governments and their human rights abuses. For conservative Republicans, it was his willingness to negotiate and thus compromise with the Soviet Union: if we are all that is good and they are all that is evil, then to compromise with the devil is sin. So in 1975 and 1976, Gerald Ford bent to the winds from his right in the Republican Party, abandoned the pursuit of a SALT II agreement and banished the word "détente" from his Administration's lexicon. Policies of adjustment were put on hold. Serious diplomacy would wait.

Jimmy Carter came to office presenting a picture of the world in 1977 similar to that described by Richard Nixon in 1970. The challenge for American foreign policy was to adapt

to and shape processes of change abroad. Certainly, there was more emphasis on human rights and less on containment than there had been with President Nixon; more effort at achieving regional solutions to regional problems and less on constraining the Soviets through détente and linkages. But like Nixon and Kissinger, Carter and Secretary of State Cyrus Vance pursued policies of diplomatic engagement. And, again, important results were achieved: in the Camp David accords, in normalization of relations with the People's Republic of China, in the negotiation of a SALT II agreement, in the Panama Canal treaties and in helping to achieve a settlement in Zimbabwe.

Unlike Richard Nixon, Jimmy Carter left office with his foreign policies largely discredited. Part of the reason was his failure ever to fashion a coherent policy toward the Soviet Union. Another was the way in which the Iran hostage crisis came to symbolize what was perceived as a weak presidency. It laid bare the limitations to American power, and the American public did not like it. Perhaps most important was a signal difference from the Nixon approach: while the former President had presented policies of adjustment in the rhetoric of national power, Mr. Carter presented them in the rhetoric of adjustment (except when it came to human rights). It was honest, but it alarmed both the American public and our allies. The containment imperative had been violated. In 1980, when his rhetoric shifted, his anti-Soviet tough line was more confusing than convincing.

As the pain of Vietnam receded in the national memory, Americans were ready for a return to the security of the 1950s. Ronald Reagan promised to achieve this. His was not the rhetoric of diplomacy; it was the rhetoric of supremacy, and it tended to exclude diplomacy.

III

President Reagan painted a picture of the world which was both more dangerous but also potentially much easier to shape to our interests and in our image than the world described by Presidents Carter and Nixon. The Soviets were more menacing than Mr. Carter had said they were, at least before 1980. But in the Reagan view we did not face a jumble of complex and intractable problems which required an American foreign policy of maneuver and adjustment. The problem was not a complex world; it was simply the will of America. Restore our spirit and our strength, and we could reverse the adverse

growth of Soviet military power over the past decade. Restore America and there could be a restoration of the "postwar era" whose obituary President Nixon had written in 1970.

From this followed a more expansive definition of American interests. If a failure to stand up to the Soviets anywhere would encourage further aggression, and if the Soviets were the source of radical challenges to the status quo almost anywhere in the world, then every trouble spot posed a vital threat to American interests. This required, in turn, a massive military buildup. As Robert Osgood wrote in a *Foreign Affairs* review of President Reagan's first year:

The overriding goal of the Administration's foreign policy was to make American and Western power commensurate to the support of greatly extended global security interests and commitments. There was no disposition to define interests more selectively and no expectation of anything but an intensified Soviet threat to those interests. Hence, the emphasis on closing the gap between interests and power would be placed on augmenting countervailing military strength....²

With new military strength would come two kinds of solutions to our foreign challenges. First, we could negotiate with the Soviet Union from a position of strength. The threat of an arms race which the Soviets could not hope to win would force Moscow to negotiate arms control agreements on terms less generous than those conceded by American negotiators in the SALT I and SALT II agreements.

In addition, new American military strength would also deter Soviet trouble-making around the world. Nixon's "era of negotiation" would be replaced by an era of American might. Secretary of State Alexander Haig, speaking in 1981, described the "four pillars" of the President's foreign policy: restoration of America's economic and military strength; reinvigorated alliances; progress in the developing countries; and a relationship with the Soviets "marked by greater Soviet restraint and greater Soviet reciprocity."³ Unlike such listings of goals and means by the Nixon and Carter Administrations, there was no separate pillar for policies of diplomatic engagement in the world's conflicts. President Reagan would create an era of deterrence without diplomacy.

² Robert E. Osgood, "The Revitalization of Containment," *Foreign Affairs, America and the World 1981*, p. 474.

³ Alexander Haig, "A Strategic Approach to American Foreign Policy," speech before the American Bar Association, New Orleans, August 11, 1981.

This was Mr. Reagan's vision. It worked well in domestic politics, in allied and friendly capitals and, to a degree, with the Soviets as well.

The American public responded well to his pictures of the world, not only during the campaign but throughout his first term. Some have interpreted this as a sign that the American people are therefore prepared for foreign policies of reassertion—that the Vietnam analogy is dying, that the containment imperative is once again dominating the peace imperative in our political debates. It is more complicated than that.

President Reagan was not promising, in either the 1980 or 1984 campaigns, policies of global activism, a return to the impulse of engagement of a John F. Kennedy. He was promising a foreign policy that perfectly matched what seemed to be the national mood: a new, comfortable nationalism which was not so much assertive as narcissistic; a mood, in Stanley Hoffmann's phrase, of "happy self-contemplation."⁴ After the nightmare of Vietnam and the humiliation of the hostages in Iran, Americans wanted desperately to feel that they were again "Number One." They thrilled to the happy notion of national supremacy and the glowing terms in which the President promised it. But they did not want that supremacy to come at a serious cost. Mr. Reagan did not suggest that we bear more burdens or pay much of a price—except in defense spending. If we were economically and militarily strong, the world would be better behaved and we need not become involved in actual conflicts.

Thus one explains a contradiction in the polling data from 1984: the voters approved of Reagan's overall foreign policy leadership—but disagreed with him on the substance of such paramount issues as arms control, Central America and defense *spending*, as opposed to strong defenses. They applauded his rhetoric, for it promised "peace through strength," a kind of cost-free containment. They responded to the images and slogans he and his supporters used: "Go for the Gold," America as Number One. They loved the 1984 Olympics in Los Angeles. They were concerned, however, with the prospect of military entanglements in Central America or the deficits that paid for the defenses. It was a kind of cinematic nationalism; you could find in the images of supremacy an escape from reality.

⁴ Stanley Hoffmann, "Semidetached Politics," *The New York Review of Books*, November 8, 1984, p. 36.

Through his first term, the President was able to avoid a reckoning. As William Schneider has shown, he was a decisive leader in the terms of this national mood. The invasion of Grenada was a triple success: the military objective was achieved; it was over quickly; and the costs were small. But the President, Schneider argues, also exercised popular leadership in Lebanon. He acted decisively to get out once the costs of his policy became real. Schneider writes:

During the Vietnam trauma, pollsters regularly asked Americans if they preferred a "hawkish" or a "dovish" policy in Southeast Asia. The answer they got over and over was, "We should win or get out." What people didn't want was endless, pointless, escalating involvement. Well, what did Reagan do as President? In Grenada we won. In Lebanon we got out. So much for the Vietnam syndrome.⁵

The President's rhetoric and emphasis on rearmament was welcomed not only at home, but among leadership groups in allied nations. Like the American public, they recoiled when the President went too far in attacking the Soviets, or showed a proclivity for unilateral action, or seemed insouciant about nuclear war, or pursued policies which implied future costs and dangers. And certainly there were major strains created by Washington's proclivity for unilateral action.

But European leaders responded positively to his vision of America reborn and his sense of optimism about the future. They admired the American economic progress of 1983-84 and welcomed accelerated U.S. defense spending. They found in the style of his leadership echoes of "America the Liberator." It was a rerun not only of the protected days of the immediate postwar era; it recalled the American strength of World War II itself. Thus the success of the imagery of Reagan's celebration in Normandy of the 40th anniversary of D-Day.

The Reagan approach may also have succeeded, in one sense, with the Soviets. While diplomacy between Washington and Moscow was rocky throughout his first term, as it had been in Jimmy Carter's last year, it may be that the Soviets were deterred from foreign adventures by Reagan's posture, although such a proposition is impossible to prove. The proportions of image and real intention mixed into Reagan's posture of toughness can be debated, but even images matter. There was a new appearance of American strength, and, as John F.

⁵ William Schneider, "Half a Realignment," *The New Republic*, December 3, 1984, p. 19.

Kennedy once noted, appearances contribute to reality. Without access to the councils of the Kremlin, there is no way of knowing whether *America redux* actually deterred contemplated Soviet moves. It is a fact, however, that Mr. Reagan was right when he said there had been no new Afghanistans on his first watch.

Thus, by 1984, there was an impression, at home and abroad, of a renewed America. And so, at the beginning of the year, President Reagan and Secretary Shultz could begin to speak of new policies of diplomatic engagement. It was good politics, but it also flowed from the initial premise of 1980: first restore America, and then move on to bargain. Addressing the American Legion on February 24, 1984, the President declared that the two "essential preconditions of a strengthened and purposeful foreign policy" had now been met: the restoration of a strong domestic economy and the "rebuilding of our foundation of our military strength." Mr. Shultz, in a speech before the Trilateral Commission on April 3, noted that: "We have rebuilt our strength so that we can defend our interests and dissuade others from violence." He went on to say: "A foreign policy worthy of America must not be a policy of isolationism or guilt but a commitment to active engagement."

In that speech and elsewhere, Secretary Shultz described the world and American diplomacy in terms much different from the traditional Reagan rhetoric. He told the Trilateral Commission that:

... evolution of the international system was bound to erode the predominant position the United States enjoyed immediately after World War II. But it seems to me that in this disorderly and even dangerous new world, the loss of American predominance puts an even greater premium on consistency, determination and coherence in the conduct of our foreign policy.

This statement could well have been made by senior officials in the previous three Administrations.

In some respects, Mr. Shultz went even further than his predecessors in opening the door to a stable arms control process with Moscow. To a Los Angeles audience on October 18, he announced that the Administration would *not* link progress in arms control to Soviet good behavior around the world. The arms control process and arms control agreements were good in themselves and should not be jeopardized, as they had been before, by differences in other areas. This went

beyond the statements of Secretary of State Vance, who argued against a policy of linkage but acknowledged that linkage existed as a practical matter in American politics. That is, even if the Carter Administration wanted to keep arms control immune from Soviet conduct, political pressures would not allow it. The Shultz speech was a repudiation of the Nixon-Kissinger policy of explicit linkage, which maintained, in effect, that arms control was at least in part a reward for Soviet good behavior.

Despite the encouraging public statements, however, there were two levels of reality at the end of the first Reagan term. On one level, there were improved atmospherics, a sense that the strategic tide was now moving in an American direction, a positive response from foreign allies and perhaps greater caution on the part of adversaries—and the promise of a new American approach in the second term. On the other and more tangible level, there were three problems to be addressed: the actual state of the American military and economy; continued conflict on the Administration's bureaucratic battleground; and the frozen diplomatic landscape.

IV

Has there actually been a dramatic improvement in America's military and economic position? The real military picture is cloudy. There is little question that America is stronger and has been getting stronger militarily for the last eight years, with the expenditure of well over a trillion dollars. The Reagan Administration itself has spent about \$800 billion in four years. But military experts hotly debate whether the country has gotten its money's worth. One must wonder whether key members of the Administration, though they publicly claim great improvement, are all that confident that this is so.

The Administration has substantially increased spending on the readiness of American forces. Yet, by standard measures, the improvement is slight or nil. The percentage of combat units judged to be in the top two categories of readiness has gone up by only one percentage point in the last four years. Progress shows up only in two areas: overall quality of personnel (attributed mainly to the economic recession and pay increases) and naval aircraft readiness. The number of main-line tactical aircraft for the air force, navy and marines has grown by only three percent, from 2,996 to 3,092. Main-force navy ships have gone from 479 to 524, but the air force actually

ordered more tactical aircraft during the Carter years than under Reagan. To be sure, there is a much higher percentage of modernized aircraft, for example, F-15s replacing the older F-4s. And overall, the conventional forces are more capable. But it is hard to argue that there has been a good total return on the large expenditures in readiness.

It is harder still to argue that, *if* there was a strategic nuclear window of vulnerability in the first place, the Administration has done anything to close it. Initially, it was a cardinal tenet of the Administration that the most pressing military problem for Washington was to do something about the Soviet ability to launch a few hundred of its big land-based missiles and destroy virtually all of the American land-based nuclear forces. But, in four years, the Administration has done nothing to reduce that theoretical vulnerability. The new MX missile, whose future is in doubt, is to be based in "vulnerable" silos and not in a survivable mode. The small, mobile Midgetman missile is still years from deployment. The Administration is interested in a ballistic missile defense system to protect the land-based missiles, but that is even further in the future—leaving aside questions of feasibility, cost and the impact on arms control.

The President's Commission on Strategic Forces, also known by the name of its chairman, retired Lieutenant General Brent Scowcroft, did the White House the favor of closing the theoretical window of vulnerability by a simple proclamation. The commission stated that for all practical purposes it is not now open. Senior Administration officials have stopped talking publicly about this infamous window, and that in itself is a good sign. But the idea dies hard and still lives on in some quarters of the Administration.

Nor can the Administration credibly claim that the overall gap it said existed in strategic nuclear capabilities has been narrowed. For the first time, the United States is now behind the Soviet Union in the total number of ballistic missile warheads, by about 7,000 to 8,000. The United States is also further behind the Soviet Union in gross megatonnage and missile throw-weight with the decisions to retire the aging Titan missiles and older B-52 bombers. Not that we believe that these particular calculations are of central consequence, given the tremendous overall nuclear capabilities possessed by both sides and the fact that the United States continues to lead in the total number of deliverable strategic warheads and bombs. But

there are many in the Administration who have maintained over the years that the numbers concerning heavy missiles and throw-weight, and the attendant perceptions of relative Soviet-American strength, are of critical importance.

Perhaps Administration leaders are calmer about these numbers today in the knowledge of future American capabilities. Perhaps they think that the Trident submarines and Trident II missiles coming on line, the new force of cruise missiles now being deployed, and American superiority in the technology of antisatellite and space-based weaponry are sufficient to correct the presumed imbalances. Perhaps they draw the necessary comfort and confidence from the trends. But that is not reflected in the private statements of many officials as new Soviet strategic programs plunge ahead as well.

The balance of nuclear forces in Europe is also a subject of mixed feelings. On the one hand, the Administration can take justifiable pride in having held the alliance together to bring about the deployment of the Pershing IIs and ground-launched missiles. About 100 are now available in West Germany, Italy and Britain. Deployments scheduled in 1985 for Belgium and the Netherlands will be a problem. On the other hand, the Soviet Union has more than doubled its lead in modern medium-range nuclear missiles since Mr. Reagan took office. The number of operational SS-20s now stands at 378 with 1,134 warheads, compared to 140 with three warheads each four years ago (and other SS-20 sites are under construction). Moscow has also increased the number of forward-deployed battlefield nuclear weapons. The Soviet Union now has more nuclear warheads of all types in Europe than the United States, some 8,000 to about 6,000. These numbers can mean much or little, depending on one's perspective on nuclear power, but they are unlikely to give real comfort to the Reagan team.

It is far from clear that the Administration is at peace with itself on these questions and on defense policy matters and the use of force generally. If anything, the disparity between commitments and capabilities has grown under this Administration, largely because commitments have been extended. In his annual posture statement to Congress in 1983, Secretary of Defense Caspar Weinberger stated that, "given the Soviets' capability to launch simultaneous attacks in the Persian Gulf, NATO, and the Pacific, our long-range goal is to be capable of defending all theaters simultaneously." Thus, instead of closing the gap between commitments and capabilities by cutting back

on commitments, as did President Nixon, President Reagan has expanded both commitments and capabilities—and the former faster than the latter.

After the elections, in late November 1984, Mr. Weinberger confused matters further in a speech to the National Press Club detailing the standards which should guide American military intervention. He said the territory or the issue should be “deemed vital to our national interest,” without defining this in any way; that involvement must command public and congressional support, with clearly defined political and military objectives; and that the Administration must be determined in advance to win or not get involved at all. The Pentagon portrayed the speech as both an effort to sharply limit American military interventions and a rebuke to Secretary Shultz for being willing to use force too readily for fuzzy diplomatic ends. Mr. Shultz had spoken in September of the need to use force against terrorists and states sponsoring terrorism, even at the risk of innocent civilian casualties and further military involvement. In general, the pattern has been that Mr. Shultz and his State Department aides have been more willing to use military force, as in Lebanon and Grenada, than Mr. Weinberger and the Pentagon. It seems as if Secretary Weinberger believes that having more American arms will speak for itself, deter challenges and obviate the need to actually use force in the first place.

All of this tends to cast doubt on whether the Administration is in fact united behind Secretary Shultz’s recent statements that the United States has succeeded in restoring the military balance and now will move forward to negotiate. There remains a powerful segment of the Administration which continues to argue that the United States is still behind the Soviet Union. Centered in, but by no means limited to, the Pentagon, this group fears that the combination of budget-cutting pressures plus the lure of arms control will erode support for necessary further large increases in military spending.

These budget-cutting pressures are the consequence of some hard economic truths. The abundant confidence the Reagan team had in the American economy throughout most of 1984 now seems generally in shorter supply, and with some reason, as 1985 begins. Beyond the domestic dilemma of how to reduce deficits while not raising taxes, there is the fact that the United States is becoming a debtor nation for the first time since World War I. Whether having foreigners invest more here

than Americans do abroad will be helpful or harmful in the long pull is not known, and that uncertainty has caused considerable unease. Beyond that, the \$130-billion trade deficit causes outright distress. Protectionist pressures, resisted by the Administration in the first term, will be harder to blunt now. More basic and distressing still is the growing realization in the Administration that deficits will not be conquered by higher and higher levels of economic growth. Administration leaders know they will be embroiled in a continuing struggle among themselves and with Congress over what to do about budget cuts and tax reforms. All of which means that Mr. Reagan will have to spend a lot of time once again on the economy, and that he will not have as much time as hoped to devote to foreign affairs or be able to act with quite the expected economic clout when he does.

v

These problems are exacerbated by another harsh reality: the President has apparently been unwilling or unable to create peace within his own government. Every administration has been torn by internal conflicts. Under every president, some high officials have opposed making deals with communists and some have always insisted on best bargains or nothing. Other high officials were willing to risk compromises with adversaries, communist or not, on the grounds that such risks were less painful and costly than the alternatives. It is unlikely that any administration could or should be free of such internal disputes. But from the Nixon Administration on, presidents were able to exercise the necessary leadership within their administrations to achieve realistic diplomatic agreements.

President Reagan has not done this. The problem is not that he faces divisions between the Department of Defense and Department of State or between the State Department and White House staff that are greater than in previous administrations. In fact, the philosophical divisions are far fewer in this Administration than in the Carter Administration: there was a greater distance to travel between Cyrus Vance and Zbigniew Brzezinski than there is between Mr. Shultz and Mr. Weinberger.

The problem, at least in part, is that the right wing in the Reagan Administration is further to the right and less willing to countenance compromise than the right in previous administrations. When it came down to it, National Security Adviser

Brzezinski and his allies either actually favored or were willing to back SALT II, the Panama Canal treaties and the Camp David accords, to name a few. Mr. Weinberger and his allies have not been so flexible. When a powerful group in any administration is flatly against compromise, it is very difficult for a president to make concessions without substantial political vulnerability. But it can be done, if a president is in as strong a political position as is Mr. Reagan.

The problem is that the President has rarely chosen decisively, in particular situations, between contending factions. So, one week Lebanon is vital to American interests and the next, the marines are withdrawn. So, one day Moscow is told the Administration is prepared to be flexible and the next, Mr. Reagan decides against compromises at a cabinet meeting. So, at one meeting he orders compromises only to have the bureaucracy continuing to fight as if no decisions had been made.

Thus, on foreign policy, the Administration has been in almost perpetual disarray, or worse, profound internal stalemate. Mr. Reagan could have cut through this by removing the anti-diplomacy group. But he did not, and there is every reason to believe thus far that he will not in his second term. Perhaps these officials reflect his own true ideological beliefs, or perhaps he finds it impolitic to remove them.

Nor has the President established a steady middle path of his own, as Robert McFarlane, the national security adviser, has tended to recommend. Mr. McFarlane does not have that kind of clout in the White House and has not proven himself a match for the two departmental elephants. The President could have taken an active and intimate part in the internal debates and gained the necessary knowledge to impose his own position. But, again, he did not. He has not mastered the substantive issues, if his news conferences and news stories are to be taken as evidence. Whether he is disposed to do so now remains a central question. For without mastery, or at least a solid working knowledge, of foreign cultures and the intricacies of arms control issues, it is highly doubtful that this or any Administration would feel comfortable making compromises. In the absence of such intellectual control, the natural tendency is to put matters off, to refer the problems back down to the middle levels of the bureaucracy for further study, in search of elusive and magical consensus, while using comforting slogans and rhetoric as a substitute for substantive policy.

Policy statements by the Administration, to be sure, have

become more or less consistently moderate during the past year, but everything else is seemingly unchanged. Nor is there appreciably less skepticism about the value and necessity of compromise if diplomacy is to produce agreements. In the upper echelons of the State Department, there may be more talk about using diplomacy to manage differences with other governments—but even here, the effort to resolve disputes is made more through rhetoric and highly visible diplomatic encounters with adversaries than through hard and politically risky compromise. Promises and prospects essentially come down to White House assurances that the President is determined to achieve diplomatic successes in his second term, especially in arms control, and now feels he is in a position to do so.

It is difficult to assay those assurances or how the President perceives his political circumstances. Does he believe the right wing of the Republican Party is now more powerful and independent of him than before? Will Republican conservatives in Congress be more or less cooperative? Does he think that freedom from running for reelection will permit him to become more philosophically pure or more pragmatic and independent of unwanted and narrow political pressures? These are critically important questions, but highly speculative ones.

VI

Less speculative is the frozen quality of the international diplomatic landscape which the President now surveys, as he considers new policies of diplomatic engagement and new efforts at arms control.

The diplomatic agenda contains four crucial problems: Central America and the Caribbean; the Middle East; southern Africa; and relations with the Soviet Union, including notably the achievement of “meaningful arms control.” In each case the legacy of the past four years is one of no catastrophic failures but no concrete and positive diplomatic accomplishments.

In Central America and the Caribbean, the Administration in 1984 stepped up both diplomatic and military activities. Gone was any talk of going to “the source” in Cuba. Gone also was the earlier total opposition to talking with the Sandinistas and Salvadoran guerrillas. The United States began talking regularly to the Sandinistas. The Salvadoran government and the Salvadoran guerrillas started meeting face to face, at the

initiative of Salvadoran President José Napoleón Duarte and, initially, against Administration wishes. The Contadora group had produced a draft treaty to settle matters between and within Nicaragua and El Salvador, but the Administration found its terms too vague and provisions for verification inadequate. The draft was shunted aside. There was, in sum, diplomatic communication throughout the region, but the parties to the various disputes seemed no closer to compromise than before. The real talking was still being done on the battlefield.

That may be the only place in the region where the Administration believes satisfactory outcomes are possible. Washington will not countenance any power-sharing arrangement between the Salvadoran government and the guerrillas. Nor is it likely to find any agreement made with the Sandinistas to be acceptable as long as the Sandinistas remain in power by virtue of that agreement. The prevailing view in the Administration still seems to be that, inevitably, left-wing revolutionaries will refuse to honor negotiated agreements—and by that time, the American people may not want to become reinvolved to stop them.

It would not be stretching what is known too far to say that the Administration's real aim is to unseat or substantially dilute Sandinista power in Nicaragua and to make the Salvadoran government sufficiently strong to eschew compromise. Some Administration officials argue that progress has been made toward these ends; the weight of expert opinion is otherwise. The indubitable fact is that the adversaries in the region are more heavily armed than ever, with still more weapons on the way. Increased fighting is the most likely prognosis for the coming year.

The American position and the prospects for negotiated settlements also dimmed in the Middle East, beginning with the virtual collapse of American policy in Lebanon in the first three months of 1984. As fighting exploded among the various Lebanese factions, Mr. Reagan reassessed his position and decided to withdraw the marines and the offshore naval presence. The immediate effects were a realignment of power within Lebanon favoring Syria, and as a consequence, Lebanese President Amin Gemayel's decision to renounce the 1983 peace treaty with Israel.

This experience will not be lost on Israel when and if the Administration starts pushing Mr. Reagan's plan for Jordanian-

Israeli negotiations on the West Bank and Gaza Strip. But in the meantime, Israel was overwhelmed by internal economic difficulties and was forced to declare its intention unilaterally to withdraw its forces from Lebanon. So the Administration's main aim, to bring about withdrawal of Syrian and Israeli forces from Lebanon, collapsed. Syria, it appears, is the winner in Lebanon after having been defeated by Israeli forces on the battlefield. The losers are Israel, the United States and serious hopes for diplomatic progress.

This kind of outcome seemed almost foreordained by an Administration that never appeared to know what it wanted in the Middle East—or at least, how to get it. First, it wanted a “strategic consensus” of Israel and the moderate Arab states against the Soviet Union. When that proved unattainable, it switched its focus to Saudi Arabia. The Saudis proved not to be the key to peace in the area. Then, when Israel attacked Lebanon, the Administration condemned the action, and relations with Jerusalem were deeply strained. Just as suddenly, the Administration altered course once again and began emphasizing its ties to Israel.

There is every indication now that Mr. Reagan's diplomatic position in the region is in a shambles. The Administration has all it can do to help the Israelis restore their economy and withdraw their forces from Lebanon, without trying to convince Jerusalem to compromise on the West Bank as well. King Hussein of Jordan has shown himself unwilling or unable thus far to chance negotiations with Israel, and he is to be the linchpin of the Reagan peace plan. And while the Administration busied itself with new strategic conceptions every year and with the Reagan plan, it allowed the one diplomatic track that had proved successful—the Camp David process between Egypt and Israel—to languish, if not die. Egypt now has little to do with Israel, and Egypt and Jordan are pushing for a return to a U.N.-led Middle East peace effort. As Mr. Reagan begins his second term, he will have no alternative but to start all over again.

Southern Africa is the one area where Administration policy has been quite constant and where it has pursued policies of sustained diplomatic engagement. Instead of pressuring South Africa as President Carter did, Mr. Reagan chose a policy of “constructive engagement” with Pretoria. In theory, this improved relationship would, in turn, be used to wheedle concessions from Pretoria on the role of blacks in South Africa and

on granting independence to Namibia. Political repression has not lessened in South Africa, and at year's end, a sudden outburst of political protests in Washington helped produce a rare criticism of Pretoria's policies by President Reagan.

There have been active discussions on the future of Namibia, but the Administration complicated the chances for a settlement there by tying South African departure from that territory to the withdrawal of Cuban troops from Angola. Despite some give and take, Angola and South Africa remain at odds on this issue. The Angolans are also demanding that all aid be stopped by Pretoria and others to the insurgency led by Jonas Savimbi. At the end of 1984, the Administration claimed that it was moving in on a settlement—but it had been making such claims for two years or more.

VII

It was in the area where diplomacy matters most—relations with the Soviet Union and the negotiation of limits to the arms race—that the Reagan Administration encountered the greatest difficulties in its first three years. Then in 1984, Soviet-American relations went from bad to worse to, suddenly, just before the November elections, better. By most indications, the almost four-year deterioration seems to have ended.

In November 1983, Moscow kept its promise and walked out on the talks on intermediate-range nuclear forces in response to the first deployments of American Pershing II and cruise missiles in Europe. At the time, Soviet officials insisted they would not return to the table until the missiles were withdrawn. In a related move, Moscow refused to set a date for the resumption of the December 1983 round of Strategic Arms Reductions Talks. Unless Soviet leaders were substantially detached from reality, they must have realized that there was no chance Washington would agree to remove the new missiles from Europe. Thus, they deliberately painted themselves into a diplomatic corner and put an end to the offensive nuclear arms talks until after the American elections.

Perhaps the Politburo had painted itself into a domestic political corner as well, and the Soviet leaders felt they could not back down for internal reasons. At the same time, however, they seemed to be sending a message to the American electorate: there could be no genuine arms control while Reagan remained President. They steadily denounced him in the first six months of 1984 as a dangerous militarist, a man who might

cause a nuclear war. Trying to influence the American elections was a gamble, to be sure. But it was not a ludicrous calculation at the beginning of 1984. Mr. Reagan was ahead in the public opinion polls, yet he did not have a commanding lead and much could have happened in an election year to jeopardize his reelection. Also, the Russians were having troubles of their own with the death of their leader, Yuri Andropov, in February, and his replacement by Leonid Brezhnev's protégé, Konstantin Chernenko.

Meanwhile, the more intransigent and dyspeptic Soviet rhetoric became, the more conciliatory was Mr. Reagan's. In January 1984 alone, he gave two major speeches, one of them the State of the Union address, calling for a new "dialogue" with Moscow and for improving relations between the two superpowers. Moscow countered that it was all election-year propaganda. While the polls showed that many American voters were skeptical about Mr. Reagan's sincerity on arms control, they also showed that most Americans were blaming the Soviets for failure to return to the bargaining tables. The same reaction held when Moscow decided in May to boycott the summer Olympics in Los Angeles. Instead of making Mr. Reagan look warlike, Moscow's strategy boomeranged and made the Soviet Union into the villain.

By June, any significant hope of defeating Mr. Reagan in November had vanished, and Moscow began to soften its stance. In late June, Mr. Chernenko proposed a new Soviet-American negotiation aimed at preventing the militarization of outer space, including a moratorium on the testing of antisatellite weapons. The United States had just successfully downed one missile in space with another—the first time this had been accomplished by either superpower. Also, Washington was getting ready to test an antisatellite system more sophisticated than the older and unreliable Soviet one. Soviet leaders may have reckoned there was some chance Mr. Reagan might agree to negotiate on Soviet terms, if only to prove to the electorate that he was serious about arms control. If, on the other hand, Mr. Reagan rejected the Soviet offer, perhaps this would weaken his credibility with the American electorate on arms control issues generally.

Once again, however, Soviet leaders outsmarted themselves and Mr. Reagan outmaneuvered them. He "accepted" the Soviet proposal for talks on space weapons, but refused to concede in advance that their aim would be to prevent the

militarization of outer space. That kind of judgment, he responded, could be made only if and as the two superpowers also agreed to address once again the subject of offensive nuclear forces. In other words: no talks on defense without resuming talks on offense. Mr. Reagan also continued to argue that the two sides should reconsider the value of space-based defense and even offered to share American technology in this field. He was ready, he said, to send his delegation to Vienna in September or October or after the election as the Soviets had proposed. Not willing to accept talks on American terms and give Mr. Reagan a major political victory as well, Moscow let the matter drop, publicly at least.

But Soviet leaders were already making their policy shift toward the Reagan Administration. In July, a Soviet delegation came to Washington and quietly initialled an agreement upgrading the hotline, or crisis communications, pact between the superpowers. Other agreements and arrangements were proffered by Washington and accepted by the Kremlin: resumption of talks on cultural exchanges and building new consulates, restoration of Soviet fishing rights, and initiation of talks on a boundary dispute in the Bering Sea. All of these were below the political threshold, but the signal was clear.

There was no mistaking this in September when it was announced that Soviet Foreign Minister Andrei Gromyko would meet with Secretary Shultz at the United Nations later that month, and then would meet in Washington with Mr. Reagan for the first time. Even though Mr. Gromyko arranged to visit also with the Democratic challenger, Walter Mondale, the game had obviously changed.

In his speech to the U.N. General Assembly on September 24, 1984, Mr. Reagan said that the two superpowers had "to extend the arms control process to build a bigger umbrella under which it can operate—a road map, if you will, showing where in the next 20 years or so these individual efforts can lead." He made this same kind of presentation to Mr. Gromyko at the White House on September 29, and reportedly stressed that he would be willing to "consider" restraints on antisatellite weapons testing if the arms control process as a whole, including, especially, offensive arms, were to be renewed. Then, on November 22, it was announced in both capitals that Mr. Shultz and Mr. Gromyko would meet in Geneva on January 7–8, 1985, in "new negotiations" to discuss space weapons, medium-range missiles and intercontinental-range nuclear forces.

As a result of this meeting, the two superpowers agreed to conduct one "umbrella" negotiation with working groups in the three main areas. Mr. Shultz did not convince his Soviet counterpart of the potential virtues of defensive systems; nor did Mr. Gromyko convince Mr. Shultz about the dangers of an arms race in space. They did agree, however, that there would be "an interrelationship" among the different negotiations. But the meaning of this relationship, that is, whether progress on offensive weapons would depend on progress on defensive systems as well, was left ambiguous. In the end, the overriding message of this Geneva meeting was not so much that the two sides were now ready to make serious progress on arms control, but that they were prepared to improve overall relations and reduce tensions between them.

It has taken a full year and more for the two superpowers to get back to where they were in November 1983. Even that was not a notable high point in bilateral relations, either in managing political disputes or in arms control. The two sides were far apart then and, by most indications, neither has altered its substantive positions since. Most of the blame for the hiatus in bargaining has to rest with the Soviet leaders. They walked away from the table. Their excuse for this, that the Administration was not negotiating seriously, did not wash with the Western audience they sought to influence.

Nonetheless, the Administration bears a heavy responsibility for the diplomatic stalemate in Soviet-American relations and many other areas as well. There have been two reasons for this. First, Administration leaders have displayed an attitude of almost anti-diplomacy. It was as if they felt that to engage with adversaries, or sometimes even friends, would mean being tainted or taken. Also, diplomacy requires knowledge of foreign leaders, cultures and issues, qualities which have not been in overabundance around the cabinet table. Above all, diplomacy entails compromise, and this does not come easily to those in the Administration who equate compromise with capitulation.

VIII

The intractability of the central diplomatic challenges which confront the Administration is not a consequence only of its own performance or the policy decisions of other governments. The problems are complicated by a fact almost completely beyond American control or even influence: few of the current

leaders in pivotal nations are powerful enough internally to make important concessions externally.

Under the best of circumstances, personal courage and solid domestic backing are required before a leader can put together an internal coalition to make compromises. Instead of Mr. Brezhnev, who seemed to be the unchallenged leader, there is Mr. Chernenko, a man who apparently must operate by strict consensus. Instead of President Anwar el-Sadat of Egypt and Prime Minister Menachem Begin of Israel, we have Hosni Mubarak and a coalition government led by Shimon Peres. Governments in Japan and Western Europe operate with slim majorities. It is doubtful that President Duarte of El Salvador can go very far without approval from his armed forces. Only Deng Xiaoping of China appears to have the authority of his immediate predecessors, at least on strictly domestic matters.

Domestic political weakness is reinforced in almost all cases by military stalemate. While an essential balance may be a prerequisite to arms control agreements, military stalemates tend to work not only against accepting diplomatic compromises, because there is not much fear of losing, but against escalating conflicts as well, for there is not much prospect of winning. For the next year or two or more, the Sandinistas are not strong enough to eliminate the contras (counterrevolutionaries), and vice versa. The same kind of balance holds between guerrillas and governments in El Salvador, Namibia and Angola. The Arab states have no real military alternative for some years against a clearly superior Israeli military force. Neither Iran nor Iraq seems able to mount a convincing offensive to end their war. The Khmer Rouge and Vietnam appear at a standstill, as do the Soviets and the Afghan resistance. Thus, Mr. Reagan faces situations where neither side is in a position to force a settlement on the other, and yet the prospective costs of escalation are not forcing a compromise on both.

IX

We do not quarrel with Mr. Reagan's sincerity about being flexible and wanting to settle disputes through serious diplomacy. We do question whether the present East-West military balance will be enough to satisfy Administration supporters and hard-liners, whether the Administration is sufficiently united and disposed toward the hard compromises necessary to reach agreements, and how well the Administration will do when it comes up against the stubborn realities of world affairs

and regional conflicts. Our concern is that after an initial period of efforts which bump into these realities, the pressures and temptations to recoil, to go back to temporizing measures and to rhetoric that disguises inaction, will be enormous. What will Mr. Reagan do when the Russians do not capitulate or give him what he may now expect, or when diplomatic efforts in Central America or the Middle East do not yield early results?

Our hope is that he will persist, and our belief is that the President has powerful incentives to do so.

First, he is almost uniquely in a position to bring American power to bear and get things accomplished. He has a better chance than any of his post World War II predecessors at quelling opposition from the right. He has succeeded in creating the impression that the United States has turned the tide against the Soviet Union in broad strategic terms. Allies feel he will defend Western interests, and adversaries fear him. He would have the support necessary to make agreements and to press those who would violate the terms of agreements. In fact, from both domestic and diplomatic vantage points, he is better positioned than Presidents Nixon and Carter when they made their breakthroughs on arms control, the Middle East and, in Mr. Carter's case, the Panama Canal treaties. They faced diplomatic stalemates and intractable regional conflicts comparable to those that exist today. And they managed to deal with them at a time when American power was ebbing and Soviet power seemingly rising.

Second, if he does not succeed diplomatically, the problems will get worse. The nuclear competition between the Soviet Union and the United States is at a crossroads. Both sides are developing and testing new technologies—antisatellite weapons, antisubmarine warfare, terminal guidance for warheads, space-based defensive systems and the like. When and if these are all deployed, possibly in the next 10 to 15 years, the essential calculus of deterrence—that no matter which side strikes first, both sides lose—could be undermined. In times of crisis, leaders on both sides could come to believe that they might be able to strike first, destroy almost all the other side's assets, and blunt the small retaliatory attack. Steps must be taken to curtail this new competition now.

If the Administration's optimistic predictions prove false and the situation in Central America deteriorates, an escalation in the fighting and decisions about possible American intervention could follow. Nor can continued stalemate be taken for

granted in the volatile Middle East. Even without diplomatic progress, a diplomatic process there is critical to offering the parties an alternative to violence and maintaining an American role.

Third, if the problems get worse, President Reagan will no longer be able to avoid the domestic political dilemma that undid many of his predecessors—the choice between military intervention or foreign defeat. Thus far, events in Central America, the Middle East and elsewhere have not posed this dilemma in stark and inescapable terms. But time and luck could run out.

The assets which Mr. Reagan has developed can turn quickly to gossamer—if the American economy deteriorates, if defense budget increases are unduly and increasingly slashed, and if, above all, the Administration does not move to demonstrate that it is as wise in the ways of diplomacy as it has been determined to restore American power. The fact that the problems are difficult does not absolve the Administration from trying to reconcile differences and keep conflicts under control. For the stalemates of today can turn into the opportunities and explosions of tomorrow.

FROM CARTER TO REAGAN

Analysts of President Reagan's reelection landslide have made much of the point that it was not necessarily a mandate for tougher policies: the voters' endorsement should be seen as primarily an enthusiastic expression of hope for continuance of the state of economic well-being and patriotic euphoria in which Americans, by and large, found themselves in late 1984. Be that as it may, it does seem quite clear by contrast that four years earlier Jimmy Carter lost votes on foreign policy issues. If Washington's relations with the outside world are going well, they may not be a decisive vote-getter, but the sense that they have gone badly can be a decisive vote-loser. Nothing fails like failure.

In my view, however, the two successive foreign policies have differed more in the images they have created at home and abroad than in their substance. Furthermore, in Mr. Reagan's case, ironically and surprisingly, words have proved an effective substitute for deeds in much of international politics, and maybe even of defense policy.

There is, of course, a difference between "operational" and "declaratory" policies and the signals both send to the outside world. The distinction was well traced in the pages of *Foreign Affairs* by Ambassador Paul Nitze in January 1956. Between what a government actually does and what it says or implies are its objectives and intentions lies some degree of divergence, sometimes a small gap, sometimes more of a chasm. These divergences do not mean that declaratory policy can be simply dismissed as bluff or hypocrisy. Nor are such differences always to be deplored, since they make possible a degree of flexibility. The French have a saying, "The soup is never eaten as hot as it is cooked." We might say that the hot soup of declaratory policy, as it emerges from the kitchen of the ideological cooks who prepare it, is always cooled a little by pragmatism before it is served up in the real world, which seldom matches the world of the ideologists' wishes.

While operational signals first require actual decisions by the

Administration (in major cases by the President himself), declaratory signals emanate from a variety of sources, some entirely non-official. Presidential rhetoric provides one source of declaratory signaling, of course—during Ronald Reagan's years an important one. But another source is the spoken and written words of people who come into office with the President, as distinct from the permanent bureaucracy.

The outside world makes its assessments of the international stance of any given administration from the mix of signals it receives from all U.S. sources, weighing operational against declaratory. In Moscow there is an entire learned institute to interpret these signals, and every foreign office has an "American desk" trying to do much the same thing in smaller ways. Some of Washington's troubles with Western allies during recent years, incidentally, have arisen from the diversity of sources of signals. London, Paris and Bonn are not disconcerted by changes of America's chief decision-maker; they change their own prime ministers and presidents and chancellors with reasonable regularity. But there is no precise equivalent in those capitals to the arrival of the new presidential entourage of policymakers; their own policymakers are well-entrenched permanent officials. Moreover, the Reagan circle tended to seem more "Reaganite" than the President himself, just as the Carter men had seemed more "Carterite" than that President. This is not surprising, since those who have been in electoral politics for many years (as tends to be the case for the persons who actually secure the nominations) have usually had the sharpest edges of their ideological stances blunted by the rough and tumble of political life.

The obvious differences in political philosophy between Presidents Carter and Reagan camouflage some basic points of distinct similarity. Each perceived and presented the conflicts of international politics in largely moral terms. Both implied that the moral assumptions of American foreign policy are not only important in themselves, but provide useful weapons in the American diplomatic armory. And both adhered to the notion of American "exceptionalism": U.S. society as the "shining city on a hill," its values a beacon for all the world.

In all that, both Presidents are heirs to a long-standing American tradition. Moralism and legalism have been central strands in American diplomacy from the earliest years of America's emerging consciousness of the United States as a power in a world of powers. To some analysts those strands have

seemed the source of the disasters of U.S. policymaking; to others the source of its major accomplishments. To the outsider both points of view have evidence to back them up. Some major disasters (like the involvement in Vietnam) and some major successes (like the process of European recovery stemming from the Marshall Plan, or the Japan Peace Treaty) were rooted in both strategic calculation and moral feeling among the policymakers of the time.

Though it may seem a little cynical to say so, the real differences do not seem to have been in either quantity or content of the moral assumptions. The basic point, at least on the evidence of the turnabout of American sentiments, seems to be that moral feeling is unlikely to "stay the course" when the strategic calculations that go with it prove unsound. The process of disenchantment, once it starts (as with Vietnam in 1967–68), sweeps away the original moral assumptions that went into policy. Thus the moral components that go into policymaking have to be judged not only on their own merits but on whether they conduce to realism in the strategic assessments that go with them.

II

Declaratory signals may sometimes look, at first glance, as if they were operational. The Reagan defense budget, for example, may be considered a strong declaratory signal—a statement of intent about the *future* balance of forces—rather than a transformation of the existing balance of the 1980s. The almost universal popular impression is that President Reagan has achieved—not merely proposed—an unprecedented rate of increase in U.S. military muscle. But I would argue that since the image of U.S. military weakness was created chiefly by words (mostly from the Reagan camp from the Republican nomination fight of 1976 onwards) it is logical that more words from the same sources should have been effective in readjusting that somewhat distorted image to reflect the reality of effective (though asymmetrical) superpower parity.

President Carter also made potent use of words, but it would be quite unfair to attribute all the troubles of U.S. foreign policy in the four Carter years to his own declaratory signals. Even without such signals, an adversary assessment in Moscow or elsewhere could reasonably have perceived a window of low-risk, low-cost opportunities. The general signals from American society as a whole, and from the liberal foreign policy

establishment in particular, had been conveying a message of dwindling opposition to other countries' adventurism ever since 1975. National battle-fatigue, progressively increasing from 1968 and overwhelming by 1975, made the foreign policy mood of the early Carter years inevitable, and impossible to conceal from adversary policymakers. Even before Carter, in fact, Congress had sent the world a very loud declaratory signal in the Angolan resolutions of 1975–76 that the American political mood would be enough to block any operational policy of a tough-minded sort for the immediate future, even though the Administration may have wanted it. In that political mood of 1976, part of Jimmy Carter's appeal was the moral reassurance he provided during a time when American values and traditions were still under heavy attack at home and abroad. He encapsulated in his political image traces of an earlier, more innocent America and of small-town values.

To stand for virtue reasserted is probably always an asset in domestic politics. In international politics, however, a reputation for conspicuous virtue is likely to be construed as meaning that the new man is naïve. The saying "nice guys finish last" originated in U.S. sporting circles, but a rather similar estimate is implicit in the conventional wisdom of diplomats. And that was an image that Carter could hardly escape, given his status as a Christian fundamentalist, a Sunday school teacher, and particularly his espousal of Wilsonian values in world affairs.

Woodrow Wilson is still, no doubt, a hero to many Americans. But that is not really so in the outside world, except among a few remaining left-liberal and Third World optimists. In the Soviet Union, Wilson is remembered for the interventions of 1918 and as the standard-bearer of a theory of international politics competitive with Lenin's. In the chancelleries of Europe his name tends to be associated with high-minded ineffectiveness, failure to get the United States to take on the responsibilities of membership in the League of Nations, and unrealistic insistence on introducing notions of national self-determination in areas where they were bound to disrupt the chances of viable settlements. The hearts of European policymakers tend to sink at the thought of Wilsonian preachings from the White House. President Carter's version of moral rectitude in international politics was centered on human rights rather than national self-determination, but the human rights concept was even more disruptive to some of America's allies in the late 1970s (such as Iran) than the notion of self-deter-

mination had been for some of America's European allies in Wilson's time.

In fact, the case of Iran seems to indicate that well-amplified U.S. declaratory signals can begin to erode a fragile personal autocracy even before their author is in power. According to various observers, including Sir Anthony Parsons, who was British ambassador in Teheran at the time, the Shah's self-confidence began to crumble from the time of the Carter election campaign, and this damage does not appear to have been retrieved even by the considerable support in actual operational terms he received during the early Carter years.

III

The first four Reagan years bore an almost eerie similarity to the years 1949 to 1954, when the concept of "negotiation from strength" had a previous airing.¹ In 1949, as in 1979, serious and respectable analysts were seeing a phase of major danger about five years ahead, with a "window of vulnerability" developing, because of a perceived major change in the underlying strategic balance. In 1949 the change was a true strategic milestone: the first Soviet atomic test. Along with the additional jolt of the Korean War, the West embarked on a major countervailing reaction: an ambitious NATO arms buildup, with U.S. defense expenditures reaching more than 14 percent of GNP by 1953 (twice the rate of the Reagan years). Then, as now, a technological "quick fix" to restore the original Western advantage glimmered in the minds of policymakers. Then it was the replacement of fission weapons by fusion; now it is the Strategic Defensive Initiative (SDI) or "Star Wars" image.

A powerful sense of *déjà vu* hung over the early 1980s for anyone who was once preoccupied with the early 1950s. Andrei A. Gromyko (the only major policymaker at a more or less similar level of influence in both patches of history) ought to be particularly haunted by it, because then, as now, there was a long drawn-out Soviet succession crisis which affected his personal fortunes. Then the succession was to Stalin, now the succession is still really to Brezhnev. Secretary of State John Foster Dulles then, like President Reagan until mid-1984, was given to combative but not always convincing declaratory sig-

¹ For a fuller account of the period, see the author's *Negotiation from Strength*, New York: Alfred A. Knopf, 1963.

nals, for instance, the doctrine of "massive and instant retaliation" in 1954.

Robert Murphy, one of Dulles' chief aides in that earlier phase of "negotiation from strength," once said that some of his master's signals had to be taken with "a whole warehouse full of salt." The question remains whether that level of skepticism can be retrospectively justified for the Reagan years. But we must start with a point whose importance is seldom conceded in European analyses, or liberal Democratic ones. Despite the general souring of relations between Washington and Moscow during the Reagan first term, there was not in fact a serious adversary crisis between the superpowers in that period.

A serious crisis between the United States and the Soviet Union has to be defined as one that produces not merely an exchange of insults but a measurably increased risk of actual hostilities. By that criterion, no such crisis can be discerned. The nearest approach, perhaps, was the shooting down of the Korean airliner in September 1983. Commentators who should have known better invoked the memory of Sarajevo, but the very evocation of that flashpoint makes it clear how remote the two great adversaries of the contemporary world were from that brink of an earlier era. This is reassuring, for it means that the crisis-management techniques and other factors which have built some stability into the central balance of power over the past 40 years have remained workable, even after several years of robust and continuing asperities between the superpowers.

To say this is not, of course, to deny that relations between Moscow and Washington by 1983 were at their lowest point since the death of Stalin 30 years earlier. One may fully assent to that proposition, and agree also that the situation had disastrous consequences for some areas of international life (especially the effort toward arms control), and yet still hold that the basic mechanisms for preserving the peace, such as they are, do not appear to have been much impaired. In fact, perhaps the contrary.

The many crises which were already on stream before January 1981 have not been visibly mitigated, and some have probably been marginally worsened. Poland, Afghanistan, the Persian Gulf war, the Middle East, Central America and the Caribbean, southern Africa, Vietnam and Kampuchea—all bear their normal tides of human misery along the accustomed pathways. I am not proposing an unduly rosy view of interna-

tional politics during these past four years, merely pointing out that all was actually quiet, *save on the rhetorical front*, in the central confrontation between the superpower adversaries.

A potential explanation for this state of affairs can be found on the Soviet side of the confrontation. President Reagan's first term spanned the final decline of Leonid Brezhnev, the quasi interregnum as his death approached, the brief rule of Yuri Andropov, and the early months of another ailing veteran of the Politburo, Konstantin Chernenko. The decisions made in Moscow during those four years were those of men who (like their elderly though sprightly counterpart in Washington) all had good reasons to be conscious of their own mortality. Elderly, ailing men (ayatollahs may perhaps be excepted) are not usually given to bold adventures in foreign policy.

Not only were the decision-makers in Moscow declining in health during the Reagan first term; the Soviet policy machine had too many problems on its hands to take the sort of initiatives which might create more. Afghanistan and Poland, the needs of useful allies in Cuba, Vietnam, South Yemen, Syria and Ethiopia appear to have left few resources even for marginal and faltering allies in Angola and Mozambique, much less for taking on major new commitments. One might also argue that the domestic difficulties in the Soviet sphere of power, largely the results of economic failures, impose their own constraints. Or, less optimistically, one could say that there appears in Soviet policy an alternation, accidental or deliberate, of periods of "forward policy" (as 1976–79) and of relative pause while the gains of the forward policy are consolidated or digested. On that interpretation, the comparative quiet of the first Reagan term could be seen as a natural consequence of Soviet activism in the Carter years. President Reagan, in other words, enjoyed the good fortune of President Carter's bad fortune. If so, the relative immobilism of Soviet policy would have to be seen as a short-term phenomenon, not likely to persist for four more years.

Other possible explanations focus on the American side, and involve the distinction between operational and declaratory signals. The contrast between the Reagan and Carter years seems particularly illuminating. It owed more to contrasts in what the two Presidents and their respective entourages *said* than to any vast differences in what the two Administrations actually *did*.

Indeed, it is difficult to think of any major operational

differences at all, save the sharper and more combative stance during the Reagan years in the Caribbean and Central America and a greater skepticism on arms control (though I would be inclined to put arms control proposals into the sphere of declaratory policy anyway). If one looks at the basic substance of the major operational policies—continuance of support for NATO; continuance of a wary cultivation of China; continuance of support for Israel, along with as much or as little cultivation of moderate Arab governments as is compatible with the Israeli connection; a continuing consciousness that the security importance of Japan outweighs any economic rivalries; continuing orientation to the Association of South East Asian Nations and to the Pacific, including ANZUS pact countries Australia and New Zealand; a continuing restraint of the basic hostility to Vietnam and Iran—on all these it is difficult to see more than marginal change.

Observing these continuities in operational policy and contrasting them with the differences in media images, and the differences also in the overall international fortunes of the two Administrations, it becomes difficult to resist the inference that President Reagan's declaratory signals have been, on balance, useful to his purpose, not only electorally but internationally, and that the opposite was true for President Carter. Perhaps this outcome is as yet more clearly visible in Carter's case, when we remember that the mildness of his initial declaratory signals left him derisively (and unfairly) still seen at the end as a "terminal case of meekness," despite actual operational policies in some respects tougher than any so far in the Reagan period.

IV

To substantiate this assessment, let us look at a small cross-section of policy issues during the Reagan years and compare the declaratory and the operational signals that have been associated with them: China, Lebanon, the Persian Gulf, Poland, the Korean airliner, and the trans-European gas pipeline.

On China policy, the difference between the early declaratory signals that seemed to establish President Reagan as a dedicated friend of Taiwan and his actual operational policy, following precisely the path taken by Presidents Nixon and Carter to the Great Wall, is so obvious as hardly to need demonstrating.

Lebanon offers a more subtle and complex pattern, but one, to my judgment, of much the same meaning. Initially the

Reagan Administration approach seemed to promise a discarding of earlier U.S. mediatory efforts in favor of something both more ambitious and more in line with stated neoconservative positions. In March 1981 Secretary of State Alexander Haig told the Senate Foreign Relations Committee that the objective was to "establish a consensus in the strategic regional sense among the states in the area," all the way from Pakistan to Israel and Egypt. But during the episode of Syrian anti-aircraft missiles in April 1981, the Israeli bombing of the Baghdad reactor in June 1981, and the initial phases of the Israeli invasion of Lebanon in June 1982, the true operational message seemed to be that Washington was leaving the direction of events in the hands of the local actors.

Then there were the commitment of the marines in August 1982 and the Reagan Plan initiative in September: both ambitious declaratory signals of what was desired and desirable. But that did not really entail a new operational commitment, save in the diplomatic time and energy of U.S. envoy Philip Habib and other policymakers, mostly somewhat below the topmost level. Even the commitment of marines was at a token level. When President Eisenhower put marines into Lebanon in 1958, he used about 14,000 and left them there until the political objectives of the U.S. government had been secured, for the time, and for good or ill. The small detachment that President Reagan put in did not have a military purpose but a diplomatic and political one; it was a declaratory signal. When the marines suffered the casualties of October 1983, the President declared that the United States had "vital interests" in Lebanon. And Secretary of State George Shultz said, "We are in Lebanon because the outcome will affect our whole position in the Middle East. To ask why Lebanon is important is to ask why the Middle East is important." Again, strong declaratory signals.

A few months later, in February 1984, the marines were simply taken out. Congressional opposition, 259 deaths and the opening of election year were enough to make declared vital interests subject to reassessment. By late 1984 Lebanon had in effect been divided into Israeli and Syrian spheres of influence. The Maronite Christians, whose position of dominance in Lebanese internal politics had so long been sustained by the West (first the French and then the Americans), seemed to be losing ascendancy to the Muslims. I offer no criticism of that outcome in itself; indeed, I think it may conduce to the chances

of long-term stability. My point is merely the disparity between the declaratory signal: "This is interpreted by us as a vital interest," and the operational message that the United States can ultimately sail away. The Eisenhower Doctrine, by late 1984, appeared no longer operative in Lebanon. And to a chorus of surprise, Richard Murphy, the U.S. assistant secretary of state for Near East and South Asian affairs, could proclaim the Syrians to be no longer "Soviet puppets" as had been assumed so confidently earlier by Reagan spokesmen. On the contrary, the Syrians could be quite "helpful," Murphy told a congressional committee in July 1984, apparently endorsing their role in security and stability. In other words, the declaratory signal by then matched the operational signal: the Reagan Administration, far from being more ambitious in the area than its predecessors, was less ambitious and more prepared to leave local events in local hands.

In the Persian Gulf, one might argue similarly that the Carter Doctrine proved to be non-operative in President Reagan's time. Again the initial declaratory signals were strong: the transformation of the Rapid Deployment Force into the Central Command, and its fleshing-out with assigned forces such as carrier battle-groups and airborne divisions and fighter wings to a total of almost 300,000 men. But though a major war was in progress in the Gulf throughout the four years of the Reagan first term, there was hardly more than a hint of American intervention, even when tankers were subject to missile attacks. And when mines were laid along the tanker routes, the Western powers merely swept them up, with a bit of Soviet cooperation. On the evidence one would say that there has indeed been a tacit understanding between Washington and Moscow that each would limit its intervention in the area, on the assumption that the other continued to do so.

Again, no one in his or her right mind would complain. The point is just that there was in this case also a chasm, rather than a mere gap, between what the expectations had been back in 1980 of what the Reagan policy would be in the event of local hostilities threatening the Gulf oil routes to the West, and what actually happened. Or, more precisely, did *not* happen. For the world has in fact proved able to shrug off a major war, now into its fifth year, in which both sides have threatened or damaged oil installations or oil tankers in and around the Gulf. The oil glut persisted despite those events. OPEC has not only been unable to raise oil prices; it had by late 1984 seen the real

price of oil fall, as cuts in production had to be made to keep the nominal price hovering somewhere near \$29 per barrel. Present U.S. policy in the Gulf looks uncommonly like a tacit acquiescence in the Nixon Doctrine—that local powers must learn to fend for themselves in local crises.

In the Polish crisis, already under way when President Reagan came into office but reaching its decision-point only with the declaration of martial law in December 1981, the pattern hardly varied from earlier East European crises. The rhetoric was vehement, and the debate expressed U.S. outrage, but the actual sanctions against the Soviet Union were exceedingly mild. In particular, grain sales under existing agreements were not restricted; the United States continued to participate in the Helsinki review talks and the Geneva negotiations on arms control; a scheduled meeting between Haig and Gromyko was allowed to proceed. In fact, aside from the suspension of Aeroflot services and some restrictions on high technology purchases, it is difficult to see anything in U.S. operational policy that could have caused much wincing in Moscow. The unfortunate Poles themselves were rather more the true victims of any clampdown, suffering suspension of food aid and other economic blows for a time. Overall, American policy seemed a clear continuation of the tradition of well-signaled U.S. restraint in East European crises, which again dates right back to Dulles in 1953.

Washington's reactions to the shooting down of the Korean airliner in September 1983 were almost a carbon copy of the reactions to the declaration of martial law in Poland less than two years earlier. Again the level of rhetorical denunciation reached a new crescendo, again there were symbolic gestures of outrage—declaratory signals—like the denial of landing rights for Gromyko's plane when he sought to make his customary visit to the U.N. General Assembly. But again operational policies were not exactly severe. The grain deal was not rescinded. The Madrid meeting (essentially a continuance of the Helsinki Conference on Security and Cooperation in Europe which Reagan had so often denounced) was not only allowed to proceed but was chosen as a venue for a low-key meeting between Shultz and Gromyko. Shortly after the incident the arms control talks were suspended, but that was a Soviet declaratory signal against the Pershing II and cruise deployments, not Washington's choice.

The Soviet gas pipeline provides an example of a different

sort of crisis, an intramural crisis of the NATO alliance. The declaratory signals were as usual fierce: talk of sanctions against America's closest and most necessary allies. And Washington did have a case; dependence by the West Europeans on Soviet sources for even a small segment of their energy supplies does not seem a good idea, nor does the provision of a new source of hard currency to the Soviet Union. But the Europeans also had a point: their vulnerability to Middle East oil producers is so great that their total level of risk is not more than marginally increased, if at all, by some shift of energy dependence to the Soviet Union. And the Russians need to be able to sell commodities to the West if they are to buy Western goods in return. The advantages of détente, economically but also in human terms, are too great for the European powers to be willing to relinquish them, especially not at the instance of an American Administration as little credited with understanding Europe as that of President Reagan. So the Europeans dug their toes in and ignored the Washington rhetoric. The gas now flows westward, and hard currency eastward; U.S. sanctions have not exactly been overwhelming. Again the contrast was between a tough initial declaratory policy and an ultimate operational policy of shrugging the whole thing off.

Arms control (or the lack of it) provides the most complex example of declaratory signals. Formal proposals were made, such as those presented in the Strategic Arms Reduction Talks and intermediate-range nuclear forces negotiations, but there were informal but perfectly clear indications, evident even before he came to office, that Mr. Reagan was unlikely to be an enthusiast for arms control treaties, judging by all he had said about Strategic Arms Limitation Talks (SALT I and SALT II). And then there were his defense proposals, clearly likely to amount to a major rearmament effort, mostly in advanced nuclear weapons.

It is not totally impossible to combine a belief that the United States by 1981 needed to upgrade its nuclear capacity in some fields vis-à-vis the Soviet Union with a belief that arms control treaties have merit in promoting the stability of the general strategic relationship with the Soviet Union. But to formulate policies giving weight to both objectives takes more specialized knowledge of the field than even his aides would claim for the President. Given the necessities of the arms buildup, the nature of some of the arms control appointments made, and the actual process of the negotiations, no one reasonably conversant with

the issues could have been surprised at the outcome, or lack of outcome, of the formal initiatives in the first Reagan term. An air of "doing it for the record" (ingenious though the proposals were) hung over them from the first. Nevertheless, and despite Reagan's earlier denunciations of SALT II, that unratified treaty seems to have remained operational. And despite heavy hints that the Anti-Ballistic Missile Treaty might be discarded, it has so far been preserved.

V

These instances seem to add up to reasonably solid evidence that on the whole the diplomatic bark of the Reagan Administration has been considerably fiercer than its bite; that is, the pattern has been one of declaratory signals a good deal sharper than the operational ones. There is one obvious area where policy may be seen as an exception to that rule: Central America and the Caribbean. In Nicaragua, the Administration has tried to see what some very heavy-handed declaratory signaling could accomplish. Possibly that will prove a mere prelude to actual combat operations. But perhaps the general Reagan pattern will be maintained, that of declaratory signals fiercer than operational policies, at least as compared with Eisenhower's 1954 covert intervention in Guatemala, Kennedy's Bay of Pigs fiasco and Johnson's 1965 use of marines in the Dominican Republic.

The point of real interest, however, is not in which areas the Administration's bark has proved fiercer, but whether it can be argued with any plausibility that the fierceness of the signaling has precluded the necessity for action. Could it be that the rhetoric has raised assessments in Moscow of a higher level of risk in any kind of Soviet forward policy, making the "correlation of forces," the central concept in a Leninist analysis, look less favorable? Factors against adventurism stemming from the Soviet side were, in any case, strong. Even a slight extra weight of assessed risk, created by U.S. declaratory signals, might have proved substantial enough to tip the scales.

If we compare that putative payoff from one kind of declaratory policy with the misfortunes of the Carter period when an alternative kind of declaratory policy was in force (though the operational policies were not all that different), it seems to suggest a revised view about the general relationship between declaratory and operational signals—a view possibly applicable beyond this eight-year stretch of American experience.

Both sets of signals contribute to the expectations which the superpowers have of each other. Those expectations in turn are incorporated into the assessments of costs and risks which determine actual policy decisions on both sides of the central balance. But there is an important distinction between declaratory signals and operational signals that is particularly relevant to the present and the most recent past (the last two decades, more or less). The powers have for these 20 years or so had independent means of seeing for themselves, with the aid of satellites and such, what the capabilities of the other side are. So the ambiguities from which have traditionally arisen the miscalculations that precipitate crises, and sometimes wars, are no longer in the field of relative capabilities. They are almost exclusively now in the field of will; sometimes the will of a society as a whole, sometimes the will of its dominant political elite, but more often the will of the chief decision-maker and the small group of policymakers who immediately surround him.

And of that small group's will, in a situation of crisis, no satellite can provide direct observation. Operational policy does provide some signals bearing on will, of course, but in this particular field declaratory policy—speeches and such—provides the most direct guide to *mood*, and thus cannot safely be discounted by an adversary as a signal of *will*. In other words, declaratory signals may be a rather more important component of the total mix of signals now than they were before the age of surveillance (i.e., before about 1965) because the remaining ambiguities of the power balance are in the area of will rather than capacity, and declaratory signals tend to determine the image of will which each group of adversary decision-makers forms of the other.

In summary, a general war in the nuclear age is more likely to come from miscalculation than from deliberate challenge, and miscalculation, in the age of surveillance, is more likely to derive from uncertainties about the will of the chief decision-maker in the adversary camp than about the strategic capacities of the two systems. Khrushchev's apparent miscalculation about Kennedy offers a parallel: he is reported to have come away from their Vienna meeting in 1961 convinced that the young new President was "too liberal to fight." The genesis of the Cuban missile crisis, undoubtedly the most dangerous war-threatening crisis of the entire nuclear period, may in part be seen in that assessment. Carter was perhaps, because of his

initial declaratory signals, in some danger of accidentally engendering that same kind of calculation or miscalculation; Reagan is clearly not. The preservation of peace rests, unfortunately, on nothing more substantial than the system of expectations in Moscow and Washington as to how the decision-makers in the other capital will react in the event of policies unacceptable to them. So one would not wish any kind of dangerous illusion to creep into those sets of expectations, such as the illusion that the other side had "no option but *détente*." Disillusion is no doubt very embittering. Illusion, however, is a great deal more dangerous in international politics. If either adversary has no option but *détente*, why should the other pay any price to preserve the *détente*? Soviet policy in the late 1970s might be taken as partial evidence of that mood, so Soviet reassessments, after the Reagan inauguration, were therefore useful rather than damaging to the basic mechanism that keeps the peace, in the sense of helping disperse any such illusion, and thus reducing the chance of some lethal miscalculation.

VI

It probably would be too optimistic to believe that noisy declaratory signals—i.e., hostile rhetoric—can become a substitute for more destructive international behavior. That would mean that the two superpowers had been sensible enough to adopt the technique of gorillas deep in their respective patches of jungle, loudly beating their respective chests—not as a prelude to fighting but because they want to avoid doing so—these declaratory signals being an established ritual for ensuring that their respective interests are not unacceptably encroached upon. Still, at least in the Western world and especially in the hands of a professional "communicator" like Ronald Reagan, rhetoric and gesture do seem to have been adequate substitutes for operational toughness with most of his supporters.

At this point, one final feature of the Reagan foreign policy, the popularity of the Grenada invasion, becomes illuminating. The wresting of that tiny island from the group of erratic left-wing thugs who had murdered the prime minister and half his cabinet seems to have been justifiably popular on the island itself, and I have no quarrel with the view that the upshot will enhance the Grenadians' chances for life, liberty and the pursuit of happiness. But in terms of geopolitical realities it was no

big deal. The nationalist enthusiasm for the success of U.S. forces does seem rather on a par with proudly lauding a steamroller for its success in cracking a walnut.

What might, however, be said in approval of the Grenada operation was that as a declaratory signal of a dramatic sort it worked very well indeed. It focused the attention of the entire world, at least for a week or two, on that tiny patch of land, and on Washington's *will* (no one doubted the capability) to do something about developments it did not like in the Caribbean. The President even picked up a bonus when Suriname, having seen what happened in Grenada, sent its own Cubans packing. So, in effect, Mr. Reagan secured some inhibition on the growth of Cuban influence in two areas for the price of one, as well as a great deal of popularity with the U.S. electorate. He is an intuitive politician, and his intuitions were clearly on target in the decision to launch the Grenada operation at the time of the marine casualties in Lebanon.

Any such apparent payoffs from the Reagan policies must of course be balanced against costs. The chief debit, undoubtedly, in the eyes of most observers was the "opportunity cost" of the failure of arms control efforts. I would not myself rate this so high as many commentators, because I doubt that the early 1980s could have been a good period for arms control even if Jimmy Carter had been returned to power. The rows over the Pershing II and cruise missiles would have been the same; the ambivalence of the Europeans would have been the same; the felt need for NATO to stick to its 1979 resolution would have been the same. The rate of increase in military spending might perhaps have been somewhat less than President Reagan has secured, but in fact the Carter proposals on the MX (the most controversial item) were a great deal more extravagant both on numbers and basing than the program that the Reagan policymakers have apparently settled for, bowing to the recalcitrance of Congress: no vastly expensive mobile basing system, and probably less than half the numbers. Even attitudes on the nuclear freeze and the arms control "build-down" ideas might not have been all that different, since the freeze in particular is the sort of notion easier to go along with in opposition than in government.

Ought one then to say that the chief costs have been in the level of irritation at various Reagan declaratory signals among the policymakers of his major allies? But whether NATO has been seriously damaged—beyond what it might have been if

Jimmy Carter had stayed in power—seems to me again quite doubtful. NATO conduces so solidly to the respective national interests of its European members, and is so well understood to do so by the foreign policy elites currently in power in those capitals (and even by their domestic political opposite numbers), that it will take a great deal more than harsh words about gas turbines to really shake the alliance. And though European policymakers and analysts sharpen their considerable wits on both varieties of American foreign policy moralism, on the whole they probably see the more real danger in President Carter's kind of Wilsonianism, especially in respect to the West's fragile relationship with the Third World. (The reverse is true, of course, of left-liberal critics and also of many Third World elites. They tend to respond sympathetically to the Wilsonian value-system, at least until they work out what national self-determination might imply in the cases of their own national minorities, and what any serious observance of human rights might do to their own authority structures.)

One might make a better case for true damage to U.S. credibility in the Middle East, with certainly a reduction of assumed U.S. capacity to control events, whether one is thinking of Lebanon or the Gulf. The Saudis have been irritated by the neglect of the Fahd Plan and by the U.S. debates over the supply of aircraft and missiles. Kuwait and Jordan have been irritated enough to purchase Soviet missiles. Morocco has contracted its improbable marriage of convenience with Libya, a government ranking almost equal with the Soviet Union in the demonology of American neoconservatives. Syria has undoubtedly advanced its status and sphere of influence, not only vis-à-vis Lebanon but also the United States, and even apparently Israel. And the Soviet Union, which had been successfully excluded from real (as against titular) power in Middle Eastern crises might be deemed to be back now, as the shadow behind Syria. All the Arab countries, even Egypt, have obviously been irritated by the strategic cooperation agreement with Israel.

Yet even assuming some loss of U.S. influence in the Middle East, I am not sure one ought to go on to assume reduced prospects of reasonable stability there. Actual settlements may be out of reach in the foreseeable future, but paradoxically, a more viable balance of conflicts seems to be emerging from the increased Syrian ascendancy, a rearrangement of alliances in the Arab world, and the Israelis' recognition of the limits of their capacity to operate in Lebanon. Again paradoxically, the

strategic cooperation agreement would thus prove a prelude to some Israeli retreat, not an increase in dominance.

VII

Finally, we must look at what will probably seem an insuperable objection to any policy that allows a substantial gap between declaratory and operational signals: that the gap is bound to be noticed after a while and thus the credibility of future declaratory signals will be diminished, not only among allies and in the Middle East and Central America, but much more importantly, in Moscow. True, but what that means chiefly is that the Administration will need a new policy for the new term. In a wildly optimistic moment, one might hope that some such thought, along with the simple cynical electoral calculation, was among the reasons for the universally noticed Reagan change of rhetorical style in the last year of his first term. The true nature of that change, in the terms we have been using, was that the declaratory signals were softened to match the continuing mildness of the operational signals. Obviously, in the second term the original gap could easily be restored by a new sharpening of the declaratory signals, or the two could be kept in tandem, so to speak, by a sharpening of both.

It is, however, difficult to see what exactly would be the advantage of such a course, either for the President personally, or for his Republican Party backers, who will want to continue keeping Democrats out of the White House, and who will presumably continue to remember that the war issue was the one on which their man came closest to being vulnerable. Moreover, though Mr. Reagan was able to campaign in 1980 and during his first two or three years in office on the alleged deficiencies in his predecessor's defense policies, that will hardly do for his fifth and subsequent years in power. From 1985 any further talk of American strategic weakness will imply a reflection on his own past policies.

Thus it has become logical for the Administration instead to imply (as was done in the September 1984 U.N. speech) that the "strength-building" part of the negotiation-from-strength concept is already adequately under way. Therefore the phase of negotiation may be approaching. If the President can successfully make this transition, he might even manage to avoid the difficulty which defeated the policymakers who propounded the same strategy in the early 1950s: the difficulty of choosing the moment when the optimal chance of diplomatic

progress has been reached. During that earlier historic phase, the best situation for the West in terms of potential negotiating leverage seems in retrospect to have been late 1953, with the Soviet decision-makers still in the phase of post-Stalin disarray, and while the impetus of the first NATO rearmament effort still looked strong. But that moment was lost, and by 1956 a new and rather incautious Soviet decision-maker, Nikita Khrushchev, was in control, and a new upswing in Soviet strategic capacity was under way.

That cycle does not have to be repeated, though all the conditions that make it likely already exist. The parallel with the early 1950s could be bleakly completed with a new rise in the level of danger as the Strategic Defense Initiative research begins bearing fruit, and perhaps an early 1990s crisis to parallel 1962.

That could happen, but sufficient intelligence applied to U.S. policy could prevent it. There is a case for assuming that on both sides of the balance a new phase of détente and arms control looks possible and desirable. On the Soviet side, the only interpretation which makes sense of Mr. Gromyko's decision to come calling *before* the election is that the decision-makers in Moscow had by September 1984 concluded that they were stuck with Mr. Reagan, little as they liked him, for another four years, and must pursue a damage-limiting strategy by trying to re-create enough détente to take the impetus out of the SDI research, if possible. Otherwise they would have to try and match it: a very expensive decision for their faltering economy. Once they had decided on that strategy, it became tactically logical to make the bid *before* the election, when the Administration's incentive to appear conciliatory was at its strongest.

It may be objected that while the Russians had nothing to lose by such an approach, President Reagan will be in severe danger of losing the ideological support of neoconservative "true believers" if he continues the softened declaratory signals of election year into the new term, and particularly if his operational signals indicate an actual move toward negotiation and détente. There are indications already of some loss of faith in the President among the sharper-tongued gurus of this group.

But in his second term President Reagan obviously has to worry about how he will stand with history rather than about the support of groups once tactically useful, but now certainly

no longer necessary. There is reason to be skeptical that he is a typical neoconservative: he seems to lack the urbane sharpness, the pessimism and disillusion, and the worries about theoretical consistency that distinguish the more notable members of the intellectual clique who developed that doctrine. Many of them are people for whom Soviet policy, especially in the Middle East and Eastern Europe, has been a source of true emotional trauma, especially if they were liberals or radicals to begin with. That gives them some piercing insights, but it does not give them much in common with an easygoing, relaxed Californian of Irish Protestant background, with a sunny optimism of temperament and a rather short attention span. So there appears psychological scope for a parting of the ways.

If the President does lose the neoconservatives, or they him, it will make relations with his European allies a good deal easier. The thoroughly conservative foreign policy establishments of the European powers tend to regard American neoconservatives with a jaundiced eye, because the neoconservatives tend to picture the Europeans as hovering perpetually on the brink of Finlandization. That is seen as a very real insult by the European policymakers concerned, since it implies stupidity as well as cowardice.

Of course only the second term will determine which way the choices will go, but the auguries for renewed dialogue and perhaps even eventual gains in the field of arms control appeared promising as 1985 began. Soviet alarm over the potentialities in the Strategic Defense Initiative has already been heavily signaled, and appeared a major incentive for Moscow to try further shifts in tactical positions. The need to bring the deficit, and therefore the arms budget, under control had almost the same effect for Washington. The pressure of grassroots feeling about nuclear dangers and the discontents of their respective allies bore on both superpowers, though asymmetrically. A reason for arms control still better than any of those is, or should be, present in the minds of decision-makers on both sides: the pressing need for reinforced crisis stability at a time when the balance between offensive and defensive weaponry may be liable to sudden change. There are not many arms control objectives of equal urgency and importance for both sides, but crisis stability is one, and it could provide the guiding thread through the labyrinth their arms control negotiators are about to enter.

As a final paradox, one might note that despite the fact that

Presidents Carter and Reagan were both foreign policy moralists in their respective ways, their contrasted experiences appear splendidly to exemplify Machiavelli's reflections on the roles of *fortuna* and *virtu* in political life. Fortune has certainly been with Mr. Reagan so far, in comparison to his recent predecessors. Unlike those who came to office in 1969, he had no disastrous war to wind up. Unlike Mr. Carter, he was not borne into office on a wave of liberal guilt and loss of U.S. self-confidence. On the contrary, he has benefited domestically and internationally by the swing of the pendulum back to nationalist buoyancy. As a patch of historical experience, it tends to reduce an analyst to reflections about the luck of the Irish. But from the point of view of the theory of foreign policy, the greater importance of declaratory over operational signals in an age of surveillance may be the idea to be noted.

U.S.-SOVIET RELATIONS: THE RETURN OF ARMS CONTROL

On November 23, 1983, the Soviet Union walked out of the intermediate-range nuclear force negotiations in Geneva and shortly thereafter suspended the strategic arms talks, thus closing down all U.S.-Soviet nuclear arms control negotiations.

For the next 12 months U.S.-Soviet relations were frozen. From Moscow, for years the self-proclaimed champion of détente and arms control talks, there was a flood of angry and hostile anti-American rhetoric, vows not to resume negotiations unless the United States withdrew its missiles from Europe, and cries of alarm about the growing danger of nuclear war. From an Administration in Washington that had taken office parading Soviet misdeeds and warning against the opiate of arms control, there was a steady stream of conciliatory gestures toward Moscow and assurances that the world was now a safer place thanks to the rebuilding of American strength.

But 1984 also proved to be a year of transition. After years of talking past each other for the benefit of Western public opinion, the two sides finally began, toward the end of the year, to probe and explore in earnest the possibility of dealing with each other again as serious negotiating partners.

In November, the resounding reelection of President Ronald Reagan and the apparent stabilization of Konstantin Chernenko's leadership in Moscow set the stage for resumed negotiations. Precisely one year after the breakdown of the Geneva talks, Washington and Moscow simultaneously announced that U.S. Secretary of State George P. Shultz and Soviet Foreign Minister Andrei A. Gromyko would meet in Geneva on January 7, 1985, in an effort to reach a common understanding on the

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subject and aims of "new negotiations" on the whole range of questions concerning nuclear and space weapons. On January 8, 1985, after two days of intense discussions, they agreed to resume formal negotiations on the basis of a new framework. A crucial branch point in the evolution of U.S.-Soviet relations had been reached.

A new phase seems almost certain to lie ahead in 1985, but there is deep uncertainty about the shape it will take. The uncertainty centers less on the preferences of the supreme leaders on the two sides—both seem clearly, though for reasons that diverge sharply, to prefer improved relations and reduced tensions—than on the capabilities of the political systems they lead to make the hard compromises that any substantial arms control agreements, much less broad accommodations, would inevitably entail.

II

The year of stalemate began with the collapse of U.S.-Soviet negotiations on nuclear arms control. The immediate precipitant of the stalemate was the Soviet walkout from the intermediate-range nuclear force and Strategic Arms Reductions Talks in Geneva late in 1983, but the negotiations had reached an impasse long before the walkout. And the origins of that negotiating impasse go back to the second half of the last decade, the waning years of the U.S.-Soviet *détente*. The climate of the U.S.-Soviet relationship had been increasingly troubled since the Angolan crisis of the mid-1970s. Prospects for improvement signaled by the signing of the SALT II (Strategic Arms Limitation Talks) Treaty in June 1979 were decisively dashed by the Soviet invasion of Afghanistan at the end of the year, which caused the final slide of the relationship into the trough of the 1980s. In the ensuing post-*détente* environment, neither superpower regarded the other as a sufficiently dedicated or reliable negotiating partner with whom to strike a bargain.

The initial Soviet reaction to the 1980 election of Ronald Reagan had been much less alarmist and pessimistic than might have been expected, given the harsh anti-Soviet thrust of his election campaign. In part, this was because the Soviets had despaired of dealing with what they had come to regard as a schizophrenic Carter Administration, so internally divided on Soviet policy that its ability to deliver on negotiated agreements was paralyzed, along with its capability to restrain assertive

Soviet behavior. Some in Moscow evidently had the Nixon model in mind for Reagan—a conservative Republican president with impeccable anti-communist credentials, invulnerable to attacks from the right, likely to be more interested than Democrats in trade and profitable commercial relations, a president with whom it might be possible again to have a “business-like” relationship.

Toward the end of Reagan’s first year, however, when the expected “adaptation to reality” of the new President had still not materialized, the Soviet leaders concluded that the new Administration was so implacably hostile that it would not by choice deal with the Soviet Union on terms acceptable to Moscow. Revised Soviet expectations about Reagan were summed up well in a statement by veteran Americanologist Georgi Arbatov that has been frequently repeated or paraphrased over the years: the Reagan Administration “will be good only to the extent that it is not allowed to be bad, and safe only to the extent that it is not allowed to be dangerous.”¹ Having concluded that the Reagan Administration, left to its own devices, would be prepared to offer up little of interest in the arms control negotiations, Soviet diplomacy concentrated on other audiences. Moscow’s diplomatic and negotiating positions were directed at those forces among America’s European allies, in the U.S. Congress and among the U.S. public thought to be potentially capable of constraining the Administration’s freedom of action and of channeling its policies in directions less obnoxious to the U.S.S.R., or possibly even acceptable to it.

By the end of 1983, this policy of banking on an indirect approach to constrain the Reagan Administration had failed in its principal European objective, preventing the deployment of U.S. intermediate-range missiles. Moreover, it was also without good prospects in the United States. This was due chiefly to the Administration’s success in managing congressional critics of Reagan defense programs and arms control proposals, and to the failure of the Democrats to mount effective opposition to the Administration’s defense and foreign policies.

On the U.S. side, attitudes prevailing initially in the new Reagan Administration were decidedly unpropitious for successful diplomatic engagement with the Soviet Union. Senior officials in charge of national security matters assumed power

¹ *Pravda*, July 26, 1982.

believing that the military balance between the United States and the U.S.S.R. had deteriorated to the point where the U.S. bargaining position, in regional issues as well as in arms control, had been gravely weakened. Serious negotiations had to await major improvements in the U.S. military position vis-à-vis that of the U.S.S.R.

For some in the Administration this evidently meant restoration of strategic superiority, a goal so remote or unmeasurable that it might defer negotiations indefinitely. There was, moreover, a strong conviction in some Administration circles that the arms control process per se was politically incompatible with the primary goal of rearmament. Some argued that arms control, by holding out the false promise of security through cooperation, was equivalent to moral disarmament and would sap the resolve of the Congress and the public to make the sacrifices required to sustain the needed military buildup.

By the fall of 1981, however, it had become clear to Washington that the maintenance of allied and domestic support for high priority defense programs required the United States to reopen arms control negotiations in parallel with improving defense capabilities. Thus, the Administration was obliged, earlier than it probably intended, to initiate both intermediate-range nuclear forces (INF) negotiations and Strategic Arms Reductions Talks (START).

Given the assumptions that each side brought to the table about the other's purposes and political strategy, neither superpower considered the other to be the primary audience for the negotiating stances they developed in both INF and START. For the Soviet Union, an appropriate arms control policy was one primarily intended to weaken Western support for the Reagan Administration's security policies without reducing accumulated Soviet military advantages or constraining future prospects.

For the United States, conversely, the appropriate arms control posture was one calling for maximum reductions in perceived Soviet advantages while avoiding curbs on promising U.S. programs. This posture had also to preserve the support of the NATO allies for U.S. INF deployments and to maintain domestic support for unilateral initiatives, particularly military ones, to counter the Soviet threat. The fact that the other superpower happened to be on the receiving end of the arms control proposals that emerged from such calculations was almost coincidental. As it turned out, in the INF negotiations

which dominated the arms control scene, the U.S. side judged, better than the Soviet, the arms control diplomacy required for Western European audiences and played its hand more skillfully.

The breakdown of the Geneva talks in November 1983 created a catch-22 situation for Moscow. The Soviets had intended to use the INF talks to prevent the deployment of U.S. missiles in Europe. Having failed in this goal, Moscow had no incentive to resume negotiations, which might appear to validate repeated U.S. public declarations that the U.S.S.R. would not "seriously" negotiate until after the first U.S. missiles were deployed. Since the initial missile deployments had not caused the sky to fall as predicted, Moscow's principal remaining leverage was the residual Western nuclear anxiety fed by the absence of arms control negotiations, by retaliatory Soviet missile deployments, and by a further worsening of U.S.-Soviet relations. Moscow was unwilling to forfeit such leverage by resuming negotiations without first extracting concessions from Washington that promised a satisfactory outcome and vindicated the Soviet stance. Thus the Soviet Union demanded that the United States withdraw its missiles or agree in advance to do so as a condition for reopening negotiations. The United States, on the other hand, refused to make any major concessions or to alter its negotiating stance in advance merely to induce the Soviets to return to the talks. Hence the stalemate.

Moscow's petulant posture only served to deepen the quandary in which Soviet leaders found themselves. Absent actions they were evidently unwilling to risk which might raise a real danger of war, harsh Soviet rhetoric and their additional missile deployments (in Eastern Europe, in the U.S.S.R. and on submarines stationed off the coast of the United States) failed to generate the pressure needed to halt U.S. deployments. Further, the contrast between repeated assertions of U.S. willingness to resume negotiations unconditionally and the Soviet demand that U.S. missiles had to be withdrawn as a precondition to such resumption served more to underline Soviet intransigence than to build pressures for U.S. concessions.

Meanwhile, with negotiations broken off, the arms control regime defined by earlier treaties and agreements was fraying and eroding. In an atmosphere of great uncertainty about the future strategic environment, including uncertainty about arms control restraints, evidence mounted of possible violations of existing agreements by the U.S.S.R. In addition, both sides

were pressing up against the limits imposed by the arms control agreements of the 1970s, and both were making extensive preparations for the development, testing and eventual deployment of a variety of new offensive and defensive systems, which, when completed, would breach provisions of several treaties.

III

In retrospect, the key event that set the tone for most of 1984 was a tragic accident callously mismanaged by the Soviet leadership in the fall of 1983 into a political catastrophe. The net political result of the September 1 shootdown by Soviet Air Defense Forces of a Korean Airlines (KAL) Boeing 747 and of Soviet handling of the incident was to damage seriously the reputation and credibility of the U.S.S.R., even in quarters normally disposed to give it the benefit of the doubt. This substantially eased the Reagan Administration's navigation of the INF deployment decision through the shoals of West European public opinion.

Incapable by its very nature of admitting error in such circumstances, the Soviet leadership reacted furiously to the world outrage which the shootdown provoked, concocting and then sticking to a ludicrous story that depicted the KAL incident as an "insidious provocation" perpetrated by U.S. intelligence. In a statement issued on September 28, 1983, in the name of Yuri Andropov, the Soviet leadership sought to indicate that it had written off the Reagan Administration: "If anyone had any illusions about a possible evolution for the better in the policy of the present American Administration, such illusions have been completely dispelled by the latest developments."²

In the final months of 1983 the Soviets dealt themselves a poor diplomatic hand and during most of 1984 they played that poor hand badly. In the words of one candid Soviet observer who condemned the Reagan Administration for driving Moscow prematurely into a corner by its initial charges of a premeditated attack in the KAL incident: "Our leadership only made a bad situation worse." In the weeks after the KAL shootdown, as prospects for an INF agreement vanished and the NATO deployment deadline drew closer, Moscow stepped up its inflammatory rhetoric, conjuring up images of acute crisis and of a war-threatening chain of events that might be unleashed unless the peace forces rose up to foil American

² *Pravda*, September 28, 1983.

plans to upset the European strategic equilibrium. "The international situation," declared Politburo member Grigory Romanov on the eve of the U.S. deployments, "is white hot, thoroughly white hot."³

Within a month or two after the initial deployment of U.S. missiles in Germany and the Soviet walkout in Geneva, it was already apparent that the Soviet war scare ploy had failed. For most West Europeans, the U.S. deployments, the Soviet announcement of "counterdeployments," and even the suspension of arms control negotiations were anti-climactic. The Soviet-inspired war scare not only failed to bring the European peace movement back into the streets to disrupt the U.S. deployment or to bring down Western host governments, it may have made a deeper impression in the East than in the West. On December 15, 1983, Soviet Defense Minister Dmitri Ustinov, who for three years had consistently depicted the war threat in the most menacing terms, cautioned that it was unnecessary to "overdramatize" the situation and that Soviet power remained strong enough to deal with any contingency.⁴

Meanwhile, as Moscow persisted in apocalyptic warnings, Washington launched a peace offensive of its own, highlighted by President Reagan's January 16, 1984, speech on U.S.-Soviet relations, which White House aides took care to describe as "an important shift in Reagan's evolving approach to the Russians."⁵ That speech clearly signaled that the United States was prepared to open a new phase in relations with the Soviet Union. Setting forth a rationale for that new approach, the President said that the economic, military and political strengthening of the United States during the first three years of his Administration had improved America's confidence and bargaining position so that Washington could "now offer something in return" for any Soviet concessions in arms control. Calling for a "constructive working relationship" with the Soviet Union, he implied, without offering any specifics, that Moscow would find Washington more forthcoming if it agreed to resume negotiations.

This bid to resume the dialogue was received in Moscow by a Politburo in the midst of a death watch over its leader and facing the certain prospect of a second Soviet leadership succession in little more than a year. By mid-January Andropov was

³ *Pravda*, November 6, 1983.

⁴ *Krasnaya Zvezda*, December 15, 1983.

⁵ *The New York Times*, January 17, 1984.

in the final stages of his long illness and probably no longer involved in affairs of state. If Andropov's authorship of the angry September 28, 1983, statement of U.S.-Soviet relations is in doubt, he surely did not personally give the "interview" published in *Pravda* on January 24, 1984, replying to President Reagan's conciliatory speech. The Soviets claimed that the Reagan speech had changed nothing: the President had deliberately distorted the grave situation by claiming that the world was now "a safer place" and had made no new proposals. The United States merely wanted "talks for the sake of talks" to appease rightly worried Western publics. As Gromyko had told Secretary Shultz in Stockholm a few days earlier, the U.S. missile deployment had placed "the entire process [of limiting weapons] in grave doubt."⁶

Less than two weeks after the appearance of his final *Pravda* "interview," Yuri Andropov was dead. The medical report issued by his physicians revealed that Andropov had suffered kidney failure and had been placed on a dialysis machine in February 1983. He had stopped making public appearances in late August. During the last six months of Andropov's life, the Soviet Union had been effectively without an authoritative leader.

Under the circumstances, it is not surprising that Soviet policy at the time of Andropov's death was being propelled almost entirely by the momentum imparted to it earlier when the outcome of the INF crisis was still in doubt. To change that course substantially in the light of altered circumstances would have required the decisive intervention of a strong leader, who was no longer available, or the gradual maturing of a new consensus among the oligarchs, for which there had not yet been time. Moreover, since the nature of Andropov's long illness must have made it apparent to his associates by the middle of 1983 that a new succession was looming, any potential successor advocating moderation of the hard line against the hated Reagan Administration would have exposed himself to charges of weakness by rivals jockeying for position.

The death of Andropov in February and the election of Konstantin Chernenko to succeed him as general secretary (in April also succeeding to the presidency) provided the Kremlin with an opportunity to use the symbolic cover of a leadership change for diplomatic reengagement with the United States at reduced political cost. A slight easing of Moscow's anti-Amer-

⁶ *Krasnaya Zvezda*, January 19, 1984.

ican rhetoric was in fact evident in the first few weeks after Vice President George Bush attended the Andropov funeral and conferred with the new Soviet leader. Passed over in favor of Andropov only 15 months earlier, Chernenko had been more closely associated with the détente line of his patron, Brezhnev, than any of his colleagues. Shortly before Brezhnev's death in 1982, for example, Chernenko had made a striking public defense of détente in a speech in Tbilisi.

Less than a month after succeeding Andropov, Chernenko hinted, in a speech on March 2, 1984, that there could be a new avenue for breaking the U.S.-Soviet deadlock.⁷ Side by side with the older, uncompromising and clearly unacceptable demand that the United States must withdraw its missiles from Europe if central nuclear arms control negotiations were to be resumed, Chernenko laid out a list of other, lesser agreements which, if concluded, could mark the beginning of a "real breakthrough" (*perelom*) in U.S.-Soviet relations. The list included a mix of well-worn Soviet declarative arms control proposals and other non-starters, such as a mutual freeze on nuclear arms, but it also included some measures such as ratification of the Threshold Test Ban Treaty and the Peaceful Nuclear Explosives Treaty that were in fact under consideration in Washington, albeit with addenda that Moscow would have found it difficult to accept.

Even Chernenko's "second track" proposals, however, were presented in a context that demanded virtual U.S. recantation of previous positions as well as prior concessions merely to create an atmosphere in which Moscow might at some later date agree to reopen the central nuclear arms negotiations. Moreover, Moscow was so suspicious of Washington's intentions and so fearful of an election-year Reagan Administration ploy that would draw the Soviet leadership into "talks for the sake of talks" that, shortly after Chernenko's March 2 speech, the Soviet leaders in effect rebuffed an Administration approach to open a high-level private channel to explore the possibility of finding common ground.⁸

Also included in Chernenko's March 2 list was a treaty to

⁷*Pravda*, March 3, 1984.

⁸ Reagan Administration officials revealed that when retired Lieutenant General Brent Scowcroft, chairman of the President's Commission on Strategic Forces, visited Moscow in early March as a member of a private group, he was carrying a personal message from President Reagan for General Secretary Chernenko and was authorized to make some additional comments to Chernenko; but he was offered access to the Soviet leadership only at the first deputy foreign minister level, which both Scowcroft and senior U.S. officials deemed inappropriate to receive a personal letter and message from the American President. *The New York Times*, March 24, 1984, p. 1 and March 28, 1984, p. 5.

demilitarize space, a proposal made by Andropov shortly after President Reagan's March 1983 "Star Wars" speech, but now incorporated by Chernenko in a package of measures designed to suggest an alternate to the sterile Soviet demand for the withdrawal of U.S. missiles from Europe.

In the months that followed, it became clear that the focus of Soviet attention was shifting from European missiles, which had become politically inaccessible targets, to the Strategic Defense Initiative and anti-satellite (ASAT) weapons, which were not only the subjects of growing Soviet strategic concern but were also more vulnerable political targets than U.S. missiles in Europe. This shift was reflected in a surprise Soviet proposal of June 29, 1984, to open negotiations with the United States before the elections (on September 18 in Vienna) on a treaty to prevent the militarization of space, including a ban on anti-satellite systems.

The Soviet proposal was evidently designed to serve two Soviet purposes that were for the moment tactically complementary, but that may have reflected somewhat different longer-term orientations among Soviet leaders. The first was the familiar propagandistic objective of embarrassing the Reagan Administration in the expectation that Washington would reject the Soviet proposal out of hand. It was, after all, an effort to negotiate away a strategic defense option identified so personally with the American President while offering nothing in return in the strategic offensive area of primary concern to the United States. Moreover, the fact that Moscow began to publicize the proposal within hours of its delivery to the State Department underlined its propagandistic purpose.

Yet the proposal also reflected a growing Soviet strategic concern about the prospect of having to engage in an open-ended, enormously costly, possibly even risky space competition which a major U.S. space-based strategic defense effort was bound to spark, regardless of the ultimate feasibility of the leak-proof population defense envisioned in the President's speech. As an indication of this Soviet concern, the June 29 proposal was probably advanced not in the expectation that it would be accepted, but in order to move strategic defense onto the U.S.-Soviet arms control agenda by laying down a Soviet marker and to stimulate an internal debate in the United States and within the Western alliance over the controversial implications of the U.S. Strategic Defense Initiative.

In any event, the prompt, affirmative U.S. response to a

carefully reformulated version of the Soviet proposal caught Moscow off guard. It provoked a month-long exercise in public diplomacy that saw Moscow back-peddalling on its own proposal in an effort to compel an explicit U.S. rejection, and Washington making every effort to show that Moscow would not, as British Foreign Secretary Sir Geoffrey Howe put it, "take yes for an answer." On the grounds that space was already militarized by the existence of offensive missiles that passed through it, the United States agreed to discuss the *militarization* of space, pointedly refraining from adopting the Soviet description of the object of the talks as "prevention of the militarization of space." The United States also declined to agree in advance of negotiations to an ASAT testing moratorium and made clear that it intended to discuss offensive as well as defensive systems. The Soviets in turn progressively toughened their position by converting their proposal for a moratorium on ASAT testing which had initially merely been "offered" into an "integral component" of their position. Moreover, they specified that the subject of the talks was to be the prevention of military activities in space and not a regime for regulating its military use, and insisted that the talks could not include discussion of offensive systems which were the subject of another set of negotiations that could presumably not be revived until the United States removed the well-known "obstacles."

By mid-July the episode had ended, but the experience may well have conditioned the next Soviet decision, taken even before the U.S. presidential elections, to begin seriously exploring the possibility of resuming the arms control dialogue in a new framework. While the Kremlin could hardly have been surprised by the Administration's refusal to make space weapons the exclusive subject of a new negotiation and to agree in advance to a moratorium on ASAT testing, Washington's evident eagerness to resume the dialogue and its willingness to discuss strategic defense in a broader arms control context had also been made manifest. It is quite likely that Moscow's experience with the abortive proposal to open negotiations on space weapons in the summer suggested the outlines of the fall-back proposal which Chernenko finally made in his November 17, 1984, letter to the President and for which the late September meeting of President Reagan and Secretary Shultz with Soviet Foreign Minister Gromyko served as the symbolic bridge.

By then the Soviet demand that the United States must first signal its readiness to withdraw its missiles from Europe had

receded into the background. It was evidently not mentioned by Gromyko in his meeting with the President, nor by Chernenko in a series of interviews with representatives of Western media in the interval between Gromyko's meetings in Washington and the November 22 joint U.S.-Soviet announcement that the United States and the Soviet Union would begin discussing "new negotiations" on "the whole range of questions concerning nuclear and space weapons."

At the Shultz-Gromyko meeting in January 1985, the framework adopted for the new negotiations was essentially an elaboration of the U.S. response to the Soviet Union's June 29 proposal, plus bridging formulas to make the framework compatible with the divergent negotiating interests of the two sides on several key issues. Negotiations are to be conducted by a single delegation on each side divided into three separate working groups to deal with strategic arms, intermediate-range weapons and space arms. (Secretary Shultz carefully defined space arms to include both those based or targeted on earth as well as in space.) Questions concerning all three categories of weapons are to be "considered and resolved in their interrelationship." The nature of the interrelationship was unspecified, leaving open the full range of possible separate, linked or comprehensively integrated agreements. Regarding space weapons, the objective of the negotiations was described as "preventing an arms race in space," an artfully contrived formula compatible in theory both with seeking to ban some or all space weapons altogether or only to regulate their introduction or further deployment.

IV

As 1985 began, it was clear that arms control was not only back, but that it had resumed its place as the centerpiece of U.S.-Soviet relations. Once again, virtually the entire burden of improving the U.S.-Soviet relationship had come to rest on arms control. For a U.S. Administration that was distinctly cool if not hostile to arms control when it took office and for a Soviet government that only a year earlier had declared that same Administration to be an unfit negotiating partner, the conspicuous revival of arms control was ironic. But the re-emergence of arms talks as the chosen vehicle for seeking to reverse the deterioration in U.S.-Soviet relations and to build a "constructive working relationship" between the superpowers was also unsurprising.

Arms control has returned to the forefront of U.S.-Soviet relations not only because it speaks to revived nuclear *angst* in the world and to mutual superpower concern about current and emerging strategic developments; it is also the only game in town for reducing the risks and tensions between the United States and the U.S.S.R. It is true that conflicts in regions where U.S. and Soviet interests intersect are the most likely and immediate sources of potential U.S.-Soviet military confrontation. Moreover, measures to control Soviet-American nuclear arms competition are only marginally relevant to avoiding U.S.-Soviet confrontation in the Third World. Arms control can contribute only indirectly by helping to create a political climate facilitating effective crisis prevention and management efforts by the superpowers in case of need. Even then, concern not to jeopardize overarching mutual interests in arms control has to be roughly symmetrical to be an effective force for restraint.

Hard as it may be, it is in fact easier for the United States and the Soviet Union to reach explicit agreements for controlling weapons than to agree on practical measures to regulate their inevitably competitive behavior in the Third World. As complex as the nuclear arms control calculus may be, weapons are tangible objects susceptible to quantifiable measurements that can be given concrete expression in treaties; agreements to regulate the competitive behavior of the superpowers against a range of contingencies and circumstances in the Third World that cannot be defined in advance can at best yield a set of abstract principles which experience demonstrates are more useful as vehicles of self-justification after the fact than as restraints on conduct beforehand.

But while arms control seems destined once again to be pivotal in U.S.-Soviet relations, it must assume the burden at a time when confidence in its efficacy has been badly shaken. Perspectives on arms control in both Washington and Moscow have evolved considerably since their confluence in the early 1970s helped produce the SALT I agreements. At that time the United States sought to use arms control agreements as a means to cap the growth of Soviet strategic power and to stabilize a condition of deterrence based on mutual vulnerability. The Soviets saw arms control as a vehicle for formally securing acknowledgment of the coequal superpower status they sought and for protecting their recent strategic gains against a technologically superior and potentially more competitive rival.

By the end of the 1970s, there was widespread disappointment on the U.S. side. Arms control had not stopped the growth of particularly threatening Soviet capabilities embodied in the U.S.S.R.'s large intercontinental ballistic missile (ICBM) force with its increasingly accurate multiple warheads carried by the heavy throw-weight SS-18s and SS-19s; nor had it slowed the momentum of the multidimensional Soviet military buildup.

Especially in recent years there has been growing pessimism and skepticism in the U.S. arms control and defense policy communities regarding the prospects for and the utility of comprehensive arms control agreements of the SALT type. Conservative critics question the usefulness of the entire enterprise. The Soviets, they argue, will never accept meaningful limitations on their strategic potential and will seek to violate agreed limitations that become inconvenient. Moreover, they charge, previous SALT agreements had tolerated and even sanctioned a continuing shift in the strategic balance of power in favor of the Soviet Union and granted Moscow significant advantages due to asymmetries in the domestic and alliance environments of arms control policy making on the two sides. The very process of arms control negotiation is viewed in some quarters as counterproductive because it is held to undermine public support in the West for the arms programs required to match Soviet strategic capabilities.

Many supporters of traditional arms control are also disillusioned. Some have declared that the era of comprehensive arms control is over. Agreements of this kind, they argue, take too long to negotiate, are too quickly overtaken by new technologies, and frequently serve to stimulate the procurement of new weapons whose development is justified as bargaining chips in the negotiating process. Some arms control proponents, pessimistic about the prospects for achieving new agreements that meaningfully constrain or reduce strategic force postures, have turned their attention to so-called strategic confidence-building measures, such as the creation of special centers to help manage intense superpower crises and prevent the initiation of nuclear war by accident or unauthorized actions. Still others continue to believe that the *combination* of equitable, verifiable force structure agreements that limit and reduce the strategic attack potentials and unilateral measures to improve the survivability of the residual arsenals can contribute significantly to maintenance of a stable nuclear balance.

Despite these largely pessimistic cross-currents, the necessity of continuing the strategic arms control process seems now to have been accepted by a Reagan Administration which had entered office with a skeptical view of the whole arms control enterprise. At a minimum, the need to respond to the nuclear anxiety of publics in democratic societies and the need to maintain public support for a strong defense are now widely seen as requiring a credible effort to pursue comprehensive arms control agreements with the U.S.S.R.

The circumstances that shaped the Soviet Union's arms control perspectives in the late 1960s and 1970s are also now changing, some of them dramatically. As a result, in the wake of the suspension of the INF and START negotiations last year, the Soviets have almost certainly been reassessing their arms control positions. They appear to be in a real quandary about how to proceed. The altered circumstances go far beyond the more immediate challenge raised by the deployment of U.S. intermediate-range missiles in Europe.

The first major change concerns the link between arms control and détente. In the 1970s, arms control was the centerpiece of the U.S.-Soviet détente relationship, and arms control agreements seemed necessary periodically to punctuate the process and to maintain the momentum of superpower cooperation. Détente, in turn, was valued by the Soviets because it tempered U.S. strategic competitiveness, raised the threshold of U.S. tolerance for Soviet assertiveness in the Third World, and provided a more propitious political context for extracting economic benefits from the West. Since 1979, however, when Zbigniew Brzezinski coined the phrase, the prospect has been one of "arms control without détente." This prospect tends to diminish for Moscow the political benefits associated with the arms control process and to place greater importance on the real balance of arms constraints associated with any putative agreement.

The second major change concerns the relationship between arms control and the probability that the U.S. government will prove capable of sustaining domestic support for its strategic weapons programs. As noted above, the Reagan Administration's perception of the relationship between arms control and the U.S. military buildup has changed dramatically since it took office. In 1981 the Administration's disinclination to resume nuclear arms control negotiations with the Soviet Union was palpable. Rearm first, negotiate later from a position of

strength, was the preferred sequence. The Soviet Union meanwhile presented itself as the champion of arms control continuity and of immediate negotiations.

By the fall of 1983, these positions were exactly reversed. On the U.S. side, it had become clear to the Administration that the U.S. arms buildup could not be sustained without a more credible arms control effort. The results of this altered environment have been evident in a variety of ways, particularly in the process by which the Congress has conditioned its funding support for several defense programs on adjustments in U.S. arms control positions to make them more "negotiable."

By the time the Soviets broke off the INF and START negotiations at the end of 1983, Moscow had concluded that an arms control negotiating environment was in fact helpful to the U.S. military buildup. Resuming talks with a U.S. Administration that was unlikely in the end to negotiate acceptable terms would only help secure congressional support of military programs of concern to the U.S.S.R. On the other hand, even if resumption of the arms control process no longer promises Moscow political benefits comparable to those of the *détente* era, other changes in the strategic environment make the military prospects for the Soviet Union *without* arms control considerably less promising in the years ahead than they were during the SALT years. The United States was not nearly as strategically laggard in the 1970s as is often claimed. Nevertheless, measured by almost any criteria, growth trends in the size and capability of strategic attack forces—as in virtually all dimensions of military power—have generally favored the Soviet Union for more than a decade.

Beginning in the mid-1980s, however, a series of U.S. strategic modernization programs—the MX, the "Midgetman" small ICBM, the Trident I/C-4 and Trident II/D-5 submarine-launched ballistic missiles (SLBMs) carried on the Ohio-class submarine, the revived B-1 bomber, the advanced technology (Stealth) bomber, and Pershing II, as well as ground-, sea-, and air-launched cruise missiles—begun variously under Ford and Carter, and accelerated, supplemented or restored by Reagan, will be yielding new, highly capable, deployed systems. Thus while Soviet strategic capabilities relative to those of the United States may today be at their highest point, the U.S.S.R. in any future arms control negotiations will confront trends that move

in the opposite direction and that could, if not arrested, threaten important Soviet strategic gains.

The Soviets, of course, are also positioned to proceed with a host of new strategic offensive and defensive programs. Nevertheless, their expensively acquired advantages in prompt hard-target counterforce and long-awaited improvements in homeland strategic air defenses appear destined to disappear as the United States proceeds with its strategic modernization efforts. U.S. fielding of highly accurate ICBMs and SLBMs equipped with multiple warheads will increasingly place at risk the large, silo-based Soviet ICBM force which is the very cornerstone of Soviet strategic nuclear prowess. And the still vague but menacing prospect of superior U.S. technology in such areas as sensors, computers, computer programming, signal processing and exotic kill mechanisms being harnessed in connection with President Reagan's Strategic Defense Initiative is bound to increase Soviet anxiety about the possible shape of the strategic balance in the years ahead.

The Soviets could reach a pessimistic assessment of the trends in the strategic nuclear balance and of the high costs and risks that a more competitive U.S. adversary would be likely to impose in an unregulated environment. Such a conclusion could conceivably make Moscow more amenable than in the past to arms control agreements that required the U.S.S.R. to accept substantial reductions in high-value forces in order to constrain the most threatening U.S. programs.

Ironically, a more *positive* Soviet assessment of other aspects of the military balance could reinforce Soviet interest in considering such trade-offs at the strategic nuclear level. Advancing technology and tougher U.S. competition make the pursuit of strategic superiority, or of some politically meaningful edge, more difficult and costly for the Soviet Union. The perception that the U.S.S.R. enjoys such an advantage, however, may now seem less vital for Moscow's grand strategy than in the past. The large-scale buildup of Soviet intercontinental nuclear capabilities has been accompanied by an even more costly modernization and expansion of Soviet conventional forces, especially for conducting rapid offensive operations in Europe and the Far East. Since the mid-1970s, the Soviet buildup has also been marked by the acquisition of improved Soviet long-range and battlefield theater nuclear forces for potential employment in both major theaters.

As a consequence of this enhancement of long-standing

Soviet conventional superiority and the trumping of U.S. nuclear options in the theater, the political and military burdens that have heretofore been borne by Soviet forces designed for central nuclear war have been eased. To permit superior Soviet forces to prevail militarily in the theater, or, more to the point, to achieve dominance of the European security arena politically in peacetime, Soviet intercontinental-range forces now need only be large and capable enough to neutralize those of the United States.

Repeated Soviet attempts to gain Western adherence to a pledge of no-first-use of nuclear weapons are consistent with this perspective. The self-serving political purposes of the Soviet Union's unilateral pledge not to use nuclear weapons first are obvious; the doctrine of no-first-use may very well also reflect Soviet strategic preferences under the condition of Soviet escalation dominance at all levels below that of general nuclear war. To the extent this may be true, Soviet leaders in the future may be more willing to trade off some existing Soviet strategic nuclear advantages, likely in any case to be eroded in the years ahead, in exchange for constraints on new U.S. programs that would insure against the rejuvenation and significant expansion of U.S. strategic offensive and defensive capabilities.

v

Even assuming that evolving U.S. and Soviet incentives to pursue arms control have now reached the point where there is sufficient overlap to sustain a determined search for common ground, the obstacles to agreement are formidable, technically more daunting than they were in 1981. The old issues remain: what to do about Soviet advantages in ballistic missile throw-weight; how to handle sea-launched cruise missiles, the Soviet Backfire bomber, and British and French nuclear forces; how to cap the U.S. potential for deploying cruise missiles on bombers. Also, the old problem of verification has been further exacerbated in recent years by testing or deployment of new weapons for which verifiable limitations will now be extremely difficult to devise (e.g., cruise missiles and mobile ICBMs).

The basic Euromissile issues remain technically unchanged since the breakdown of negotiations. But the major political uncertainty that stalemated the negotiations and dictated the grandstanding tactics of both sides has now been resolved: the NATO allies proved capable in the absence of an arms agreement

and under severe domestic pressure of beginning their planned deployment of new U.S. missiles. If there are sufficiently strong incentives on both sides now to get on with the negotiations, a formula can no doubt be found that holds open the possibility of eventual withdrawal, but permits negotiations meanwhile to go forward.

The most important new development is the emergence of strategic defense as a central issue in the U.S.-Soviet arms dialogue. Strategic defense has been advanced by the Reagan Administration from a remote technical possibility to an active, high-profile technology program with a conditional decision to consider deploying a full-scale ballistic missile defense system; as in the early 1970s, it has been inevitably linked with negotiations on strategic offensive forces, a link formalized in the January 8, 1985, U.S.-Soviet agreement. But the formula in that communiqué merely provides that nuclear and space arms questions are to be "considered and resolved in their interrelationship," leaving it to the parties to work out the nature of the interrelationship during the negotiations. The course of the U.S.-Soviet search for new agreements is almost certain to be dominated in its opening phase by an effort to find an acceptable common approach to defining that relationship.

The issue has become key to a debate in Washington between two distinct alternative strategies not only for arms control but for dealing generally with the Soviet Union during President Reagan's second term. Both approaches proceed from the common premise that a favorable shift is occurring for the United States in what the Soviets call the global correlation of forces, but different policy conclusions are drawn from this assessment.

One strategy would call for the United States to take an essentially uncompromising stand on the full range of issues, making at most only marginal, essentially cosmetic adjustments, designed not so much to enhance the negotiability of U.S. positions per se as to manage domestic and alliance political concerns. In this view, American negotiating positions developed in 1982-1983 remain basically sound. Key U.S. military programs—ground-launched and sea-launched cruise missiles, ASAT testing, the B-1, the Stealth bomber, the Trident II submarine-launched missiles and, even if precariously, the MX—are all moving forward. Superior U.S. technology in areas such as "stealthy" weapons and in the various elements that might be developed on the way to a space-based ballistic missile

defense system offers the prospect of shifting the correlation of military forces in favor of the United States. But this is prospective; in the short run, the momentum of past investments still favors the Soviets.

Time, it is said, will be on Washington's side, and the United States should meanwhile hang tough. The Soviets will eventually have to accede to American terms or, in the absence of an agreement, the United States will steadily gain in the competition while the Soviet system will continue to erode. Meanwhile the U.S. bargaining position will continue to improve. Agreements that pursue lesser goals, adherents of this point of view argue, would not serve U.S. security interests. While seeking generally to protect U.S. strategic programs from arms control constraints, advocates of this viewpoint are most determined to protect U.S. long-term options for proceeding with the Strategic Defense Initiative by keeping it out of the negotiations.

An alternative strategy holds that the United States should take the lead in exploring ways to move the stalled nuclear arms control process. Partisans of this view generally believe that a sustained state of high tension between the United States and the Soviet Union is potentially dangerous and surely corrosive to the Western alliance if the United States is believed to be at fault. A credible attempt at arms control negotiations is held necessary to sustain public and congressional support for the Administration's large-scale armaments program.

Advocates of this view tend also to believe (like those who favor the first strategy) that the correlation of forces is indeed shifting against the Soviet Union, but prefer to negotiate from that improved position now, rather than gamble on the outcome of a totally unregulated arms competition of enormous and possibly not sustainable cost, incalculable risk and indefinite duration. Soviet anxiety about an intensified new round of strategic arms competition is held to provide an opportunity for inducing the U.S.S.R. to consider trade-offs in strategic weapons negotiations, such as cuts in the Soviet advantage in heavy missiles in return for substantial limits on U.S. bombers and air-launched cruise missiles, a possible compromise in intermediate-range weapons along the lines of the abortive "walk in the woods," and, as far as space weapons are concerned, the opening of talks on perhaps a short-term moratorium on ASAT weapons.

It is important to note that there are, as yet, no indications

that adherents of this viewpoint or others in the Reagan Administration are prepared to constrain substantially, much less to forego altogether, long-term options for space-based missile defense. Some may, however, be favorably inclined toward supporting a long-term exploratory technology program in this area while agreeing not to undertake any flight testing or so-called intermediate deployments of space-based missile defense systems designed to raise Soviet uncertainties about their ability successfully to attack U.S. offensive capabilities. Conceivably, in this view, the imposition of long-term constraints on America's ballistic missile defense potential might in time become an acceptable option in return for very substantial constraints on Soviet intercontinental attack capabilities.

VI

The leaders in the Kremlin will also have to confront serious choices as they consider their strategic arms control options. As noted earlier, they must first decide what value they place on the pursuit of strategic arms control given the prospect that revitalized arms control talks are unlikely to be accompanied by a return to 1970s-style Soviet-American détente. Moreover, the Soviets are undoubtedly aware that by simply returning to the negotiations they may well increase the chances that the U.S. Administration will succeed, at least in the short-term, in gaining congressional support for major weapons programs that could be actual or potential bargaining chips in the negotiations. And they can have no assurance that the newly re-elected Administration will, in the last analysis, be prepared to depart substantially from its original negotiating demands which have been wholly unacceptable to Moscow in the past.

In addition, the Soviet leaders are likely to feel that their bargaining position is considerably weaker than it has been over the past decade. Although the actual military balance is, if anything, marginally better for the Soviet Union now than it was in 1979 when SALT II was signed, Moscow has reason to view prospective trends in that balance as distinctly unfavorable. The next series of moves in the strategic arms competition will be marked by unprecedented emphasis on high technology in areas that would pit U.S. strength against relative Soviet weakness. The weakened Soviet leadership can hardly relish tackling such a massive, costly, long-term effort on top of the other serious domestic, military and foreign policy challenges it faces.

Thus the primary Soviet objective is likely to be an effort to blunt the military and political threats posed by these prospective U.S. force developments. At a minimum, the Soviets will want to retain the SALT II constraints on intercontinental attack systems and to reaffirm the Anti-Ballistic Missile (ABM) Treaty prohibitions on space-based ballistic missile defenses. Their more ambitious agenda will almost certainly include additional insurance against U.S. deployment of the multi-tiered ballistic missile defense system envisioned in the Strategic Defense Initiative through the conclusion of a new treaty banning weapons in space; imposition of a low ceiling on the growth of U.S. bomber and bomber-carried cruise missiles; and a halt, preferably a rollback, of U.S. INF deployments in Western Europe.

The Soviets have continued, even since the January 8 agreement with Secretary Shultz, to emphasize their intention to give priority to negotiating an agreement preventing the militarization of space. This, they apparently hope, would allow them to head off the renewed U.S. ballistic missile defense effort, a high priority objective, without forcing the Kremlin to make any concessions with regard to limitations on offensive forces. Yet many within the Reagan Administration, as indicated earlier, have the very opposite in mind; they seek substantial cuts in Soviet intercontinental and intermediate-range offensive capabilities while avoiding any constraints on the U.S. long-term Strategic Defense Initiative potential. As indicated by the compromise formula adopted in the January 8 communiqué, neither side will permit the other to have it all its own way.

Unless the United States, by deliberate choice or default, adopts the option of "letting the Soviets stew," an effort to break the impasse will require an altered conceptual approach that will have to be more comprehensive than in the past. The large issues are now even less amenable to partial or piecemeal approaches. In the era of SS-20s, Pershing IIs, and intermediate-range ground-launched and sea-launched cruise missiles, continued deferral of limitations on "grey-area" weapons is no longer a realistic option for strategic arms control. Nor are the Soviets likely to treat intermediate-range weapons entirely apart from strategic arms so long as the U.S. Europe-based missile force is other than zero.

Strategic offensive arms control agreements will have to be of longer duration than SALT I and SALT II, and should be

phased, because they will have to absorb the momentum of an early phase during which both sides will be adding new missile systems with multiple warheads. The agreements will also have to regulate the transition to final phases in which warhead numbers and the ratio of warheads to launchers are to be substantially reduced. Such long-term offensive agreements involving substantial reductions and de-MIRVing are unlikely to be negotiable in the face of radical uncertainties about the future strategic defense environment. Just as the United States was unwilling in 1970–71 to negotiate permanent ABM limitations without a parallel agreement on offensive systems, in 1985 the Soviet Union is unlikely to be willing to negotiate on offensive systems without nailing down, at least for the life of an agreement on offensive arms, prohibitions on the flight testing and deployment of space-based defenses; and they will certainly seek a permanent ban on such systems.

Ironically, the best hope for breaking the stalemate and moving toward a far-reaching arms control regime may reside precisely in the development that also currently poses the greatest threat to the future of arms control: the prospect of revolutionary breakthroughs in ballistic missile defense technologies. The crucial importance for arms control of a full-scale strategic defense, now that it has been dramatically introduced as a serious option, does not derive from any particular expectations about its effectiveness. A major strategic defense program undertaken by one side would provoke a variety of responses by the other side because of the enormous strategic consequences of even a moderately effective ballistic missile defense that fell far short of being “leak-proof,” and the irreducible uncertainties about the effectiveness that could actually be achieved. Countermeasures would include developing means of disabling key components of the adversary’s defense system; measures to overwhelm or evade the defense such as the proliferation of missile warheads and decoys; the design of hardened and rapid-burn ballistic missiles and the expansion of bomber and cruise missile attack capabilities; and, of course, a major push to develop and deploy a defensive system of its own.

Only a state confident of its ability to stay ahead in a strategic defense arms race might be willing to negotiate a treaty substantially reducing its offensive strategic arms in a highly competitive and open-ended strategic defense environment. The Soviet Union will surely decline to do so. It is hard to imagine

that the Soviet Union could be induced either at this time or over the next several years to negotiate agreements amending the ABM Treaty appropriately and constraining the size of the offensive forces with which the defense would have to deal in order to facilitate a regulated competition in ballistic missile defense in the name of "mutually assured survivability"—a competition that the U.S.S.R. would neither welcome nor expect to win. It may well prove impossible to achieve this outcome at any time, even if both sides make significant unilateral progress in developing the new defense technologies.

And it is even more fanciful to suppose that Soviet cooperation in developing the new defense technologies could be purchased by the prospect that the United States would eventually share a highly effective ballistic missile defense technology. Thus, a mutually regulated transition to a defense-dominant or "assured survival" deterrent balance, either now or in the distant future, is a highly implausible scenario on a variety of political and technical grounds. Moreover, the prospect of a reversion to an unregulated strategic defense competition within the 1980s would almost certainly preclude the conclusion of new strategic offensive arms limitation agreements of any kind and lead quickly to the demise of the existing arms control regime.

It was precisely the failure of the existing arms control regime to stabilize the offensive nuclear arms competition satisfactorily, along with the inability of the United States to relieve its anxieties about offensive force survivability through unilateral remedies, that helped to fuel the Reagan Administration's decision to embark on an intense exploration of a strategic defense alternative. Deep U.S. dissatisfaction with modest strategic arms control agreements of the type we have known thus far, together with the Soviet Union's evident aversion to engaging in an unregulated competition in strategic defense, therefore provides both sides with powerful incentives for exploring a third alternative: an arms control regime that would avert the enormous costs, possible great risks, and nerve-racking uncertainties of an arms race in strategic defense in return for a long-term and more far-reaching agreement than ever before on strategic offensive weapons, notably including deep reductions or elimination of systems deemed particularly threatening by both sides.

VII

The difficulties are intimidating, but the elements of a bargain are there—if the Soviet leaders conclude that at this historical juncture it is in their best interests to settle for a breathing spell (the classic *peredysbka*) as the Soviet party was obliged to do under adverse conditions in the past, and if the U.S. Administration is prepared to settle now for less than what a best-case extrapolation of present strategic trends might yield but what will in all probability not be achievable. In the end, however, neither leadership may be capable of mustering the domestic consensus required to make the compromises, many of them painful to vested interests and deeply held beliefs in both societies, that are necessary for a mutually acceptable agreement. There is a real danger of failure as much by drift or default, as by design or deliberate decision.

To achieve a substantial improvement in the political climate of U.S.-Soviet relations generally, and specifically to conclude arms control agreements upon which the prospects for such an improvement hinge, both the Soviet and American leaderships will have to adapt more successfully than they have thus far to the altered circumstances of their competition in the mid-1980s. The adaptation will require substantial tactical adjustments by both Washington and Moscow. But the Soviets will have to make a more far-reaching strategic adaptation.

As part of their preparations for the Party Congress due to be convened early next year, Soviet analysts and ideologues are already engaged in the mandatory effort to define the “character” of the present historical era and assess trends in the global correlation of forces. The effort is no doubt proceeding with great difficulty compared with the confident, optimistic formulations of Party Congresses during the *détente* era. For those were years of relative American decline in the world and of ascending Soviet fortunes.

The United States was obliged to make difficult and painful adaptations to the erosion of its once comfortable margin of strategic superiority over the Soviet Union and of its former easy dominance of the world economy; the United States had to do so in the course of a tragic, decade-long immersion in Vietnam, a succession of punishing energy price shocks, and a debilitating crisis of the American presidency. For the Soviet Union, by contrast, those were years of striking growth in

military power, steady if no longer spectacular economic growth at home, windfall export profits from zooming world energy prices, relative quiescence in the East European empire, and expanding Soviet footholds in new regions of the Third World.

In the mid-1980s the trends of the *détente* era have been arrested and in many important respects reversed. By almost every measure—political, economic, military, social and cultural, the trends are now beginning to run against the U.S.S.R. The Soviet Union has entered a period of relative decline.

Historically, the U.S.S.R. has experienced incomparably more adverse periods when its external enemies were growing stronger, such periods as the late 1940s and early 1950s when the Soviet Union faced the U.S. nuclear monopoly, the late 1930s when superior German and Japanese strength was being mobilized against them, as well as the early post-revolutionary years when the strength of the regime was being sapped by a civil war and foreign intervention. Then, the country and the party were commanded by strong leaders capable of making the strategic adaptations, including on some occasions far-reaching concessions and compromises required to purchase a *peredyshka* or respite from dangerously growing pressures. The situation of the Soviet Union in the mid-1980s is not comparable in severity to those earlier, desperate periods. But it is unprecedented in the sense that an adverse shift in the correlation of forces is occurring at a time when the Politburo leadership is weaker and less authoritative than at any time in the U.S.S.R.'s history.

It is an open question whether such a leadership has the capacity, the will, the strength and the wit to make the necessary adaptations in external policy which will permit it to address the urgent issues of Soviet society that are at the root of the deteriorating correlation of forces. These internal Soviet matters are largely beyond the capacity of the United States to influence directly, and could prove to be insuperable obstacles to improved relations. But U.S. policy could well make the crucial difference if Soviet leadership can rise to the occasion.

Clearly the United States must maintain sufficient competitive pressure on Soviet leaders so that they cannot easily escape the need to make hard choices; but it must not seek to back the Soviet leadership into a corner and try to impose on it conditions that are wholly disproportionate to the present relationship of forces. Though the Soviet situation is difficult,

it is not desperate. Even a declining U.S.S.R. is now much too strong and its elites much too proud to accept American terms that are blatantly one-sided.

In large measure, the Soviets brought down upon themselves the U.S. backlash that began to manifest itself in the late 1970s and blossomed into maturity during the first two years of the Reagan Administration. They did this by greedy strategic behavior and Third World assertiveness in a time of U.S. adversity, disarray and distraction. We would do well to heed the lessons of the second half of the 1970s now being learned to their regret by the Soviets: don't kick a superpower when it is down. It is better in the long run to make it an offer it *could* refuse but which it concludes is in its best interests to accept. In today's circumstances such an offer will require Moscow to make concessions to relieve pressing U.S. strategic concerns that accumulated in the 1970s. But such an offer must also be sensitive to Soviet strategic anxieties, which are growing; it must promise Moscow a more acceptable outcome in the mid-term than the Soviets could expect from a totally unregulated strategic competition. It should communicate U.S. determination to shape an international environment that is increasingly less hospitable to Soviet aggrandizement, but that is not so implacably hostile as to signal that Soviet self-restraint would remain unreciprocated.

Jeffrey E. Garten

GUNBOAT ECONOMICS

O ver the last four years America's foreign economic policy jumped its traditional track. The first few postwar administrations practiced a single-handed kind of world leadership, because there was no one else to help. As Europe and Japan gained more economic strength, recent presidents focused on ways to share the management of the world economy. But President Reagan and his team seemed far less interested in international economic policy. Above all, they were preoccupied with events at home.

Their ideas went like this. Crank up the engines of domestic growth by freeing up private enterprise. As the "magic of the market" worked in the United States, so it could be made to work by other nations. The government-to-government agenda in international economic relations could thus be kept narrow. An aphorism from Goethe captured all: "Let everyone sweep up under his own door and the whole world would be clean."

During the first term, there were some notable achievements. These included the vibrant U.S. recovery which boosted world growth; the containment of a Latin American debt crisis that threatened, time and again, to become a global banking calamity; and the promotion around the world of new respect for market-oriented policies. Nevertheless, there were also major policy failures. To sweep up around one's door was not in itself enough, since living in such close quarters meant that it mattered how the broom was wielded and where the dirt settled. In fact, America's foreign economic policy showed little regard for the impact of U.S. fiscal and monetary policies on the rest of the world. Moreover, it was a policy which ignored the erosion of America's international competitive position.

The Administration's approach might have been more viable in earlier periods in American history, when trade counted for

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a very minor portion of U.S. gross national product and the American dollar was not the currency for 80 percent of non-communist trade or 75 percent of reserves held by central banks. But as a strategy in the 1980s, it could only be called gunboat economic diplomacy, and it was singularly inadequate to deal with the intensifying interaction among national economies. Policy shortcomings were particularly severe in the areas of budget management, monetary policy, trade, multilateral aid and Latin American debt. As a result, by late 1984, it appeared that the Administration's accomplishments would be transitory, and that severe problems had been created for the President's next term.

II

The Reagan Administration entered Washington in 1981 amid deep-seated pessimism about the U.S. economy, which had been wracked by escalating energy prices, declines in GNP and dramatic jumps in the prime interest rate. The President intended to reverse America's course with a supply-side approach to recovery. Budgets were to be balanced, taxes slashed and regulatory straitjackets removed. The fundamental goal was to reverse the growth of government in the economy and to reinvigorate American business.

At the beginning, however, Reaganomics backfired. Unemployment climbed. Budget deficits widened. The supply of money was kept tight, resulting in low rates of inflation—the one bright spot—but also in onerous interest rates. As the United States and the world economy experienced the longest recession in 50 years, the most dramatic casualties were Latin American debtors. Cries for urgent action grew louder. “If we misread the signs of the times and continue to let the reins drag,” said former German Chancellor Helmut Schmidt in early 1983, “our children will compare them with the catastrophe of the 1930s.”¹

But pessimism was overtaken by events. By mid-1983 a dramatic economic recovery was gathering force in the United States. Fueled by the stimulus of widening budget deficits and an easing of monetary policy, the American economy was coming alive. During 1983, GNP grew 6.1 percent, unemployment dropped from 10.7 percent to 8.2 percent, inflation declined from 8.7 percent to 4.1 percent. The momentum

¹ “The World Economy at Stake,” *The Economist*, February 26, 1983, p. 19.

continued into 1984 with growth still averaging more than six percent, unemployment continuing to drop, and inflation remaining steady at around four percent.

This spectacular performance was the Administration's most significant foreign economic accomplishment. America was enjoying its biggest surge in consumer demand since the Korean War, and the international spillover was stunning. In 1983, increased U.S. imports accounted for one-half of the net growth in world trade, and in 1984 imports were running at a 25-percent higher rate. The United States was by far the principal market for other nations' new export sales. In 1984, for example, French and German exports to the United States were rising more than 33 percent compared to the previous year, while exports from Japan, Korea and Taiwan to the United States were growing even faster. Half of Brazil's astounding \$12-billion trade surplus was due to sales to the United States, as was virtually all of Mexico's export growth.

Economic growth also helped the Administration with its second major accomplishment—the prevention of a global banking crisis. When nearly all of Latin America interrupted the servicing of foreign debt in late 1982, Washington was quick to provide emergency loans to the two biggest debtors, Mexico and Brazil. In late 1984, similar bridge financing was promised to Argentina. In several cases, the U.S. Treasury and the Federal Reserve Board worked behind the scenes to keep rescheduling negotiations from collapsing. In the end, however, it was rising Latin American exports to the United States which allowed the big debtors, and some others as well, to scrape up enough foreign exchange to meet minimum interest payments.

Finally, the exceptionally strong U.S. economic performance made other nations receptive to the Administration's free-market philosophy. Washington, therefore, helped create the psychological environment for government after government to stimulate private investment, sell off state-owned companies, shrink budget deficits, and liberalize their markets for banking and for the raising of funds through stocks and bonds. Britain, for example, sold off half its nationalized telephone system, and Canada lured American investors for the first time in a decade. Brazil started to dismantle its import barriers, and China turned its back on Marx.

These achievements notwithstanding, America's approach to foreign economic policy was seriously flawed. The fundamental

problem was that American policy was made with little regard for anything other than the domestic recovery. At a time when interdependence among nations was growing rapidly, the Administration seemed quite willing to ignore the impact of its policies on the rest of the world. Nor did it seem to recognize the adverse feedback that U.S. foreign economic policy could have on the competitive position of American firms.

One explanation is that the Administration felt that the policies of the previous few presidents had failed, having led to repeated bouts of stagflation, a soft stand against unfair foreign trade practices, a give-away of advanced technology to our adversaries and an excessive foreign aid burden. Moreover, the Administration questioned what all those global economic conferences and summit meetings, held in the late 1970s, accomplished. The Reagan team defined the nature of its global economic responsibility in unilateral terms. The American economy would serve as an example to the rest of the world. U.S. strength also would be used to force other nations to liberalize their economies and to get tougher with the U.S.S.R. If, as a consequence, foreign policy became strained, or if America had to skirt the edges of a trade war, so be it. Policies had gone astray long enough. Almost any change would be better, and change would be pushed through quickly.

Another interpretation of the Administration's actions is that it did not, in fact, have any consistent policies. There was, after all, an unusual amount of flip-flopping and dissent among top U.S. economic officials. The President began his term arguing strongly for balanced budgets. Then, at times, he asserted that deficits did not really matter; by late 1984 he again seemed preoccupied with reducing them. Secretary of the Treasury Donald Regan openly argued with the director of the Office of Management and Budget (OMB), David Stockman, and with the chairman of the Council of Economic Advisers, Martin Feldstein, about whether budget deficits led to high interest rates. There were deep-seated controversies over whether taxes should be raised, or whether economic growth alone could produce enough revenues to close the deficit. A market-oriented Administration often seemed unable to decide whether free-floating exchange rates or a return to the gold standard should be the American objective. Secretary of Commerce Malcolm Baldrige vigorously pushed for a new department of trade and industry, while Ambassador William Brock, the President's special trade representative, strongly opposed

the same idea. Secretary of Defense Caspar Weinberger supported comprehensive export controls on technology-intensive products, while other departments fought against them. Two secretaries of state—Alexander Haig and George Shultz—argued for greater support for the International Monetary Fund and the World Bank; the Treasury Department and the OMB took a much tougher line, and won. In this environment, every issue was fought out as it arose, with no overarching policy.

Many of America's trading partners complained bitterly about U.S. foreign economic policy. At a time when exchange rates were so critical to the ebb and flow of world trade, and were so clearly misaligned, the Administration watched the dollar soar, and yawned. At a time when our allies pleaded with the United States to take account in its domestic policy making of the damaging impact abroad of unprecedentedly high real U.S. interest rates, Washington turned a deaf ear. When multilateral solutions were essential for solving global problems, the Administration led the charge against the IMF, the World Bank and the General Agreement on Tariffs and Trade.

And it was not only foreign nations that objected to the Administration's foreign economic policy. Much of American industry often resented the passive attitude toward the overvalued dollar, which priced many U.S. exports out of world markets. Domestic firms fought against the effort to impose export controls, which weakened the U.S. competitive position. And they criticized, as well, Washington's emphasis on austerity in Latin America, which closed off billions worth of U.S. sales.

For two years, the costs of mismanaging U.S. foreign economic policy were overshadowed by America's economic boom. But by late 1984, frustrations were mounting abroad and at home. As Washington prepared for President Reagan's second inauguration, the price tag of past mistakes was beginning to mount.

III

At the root of the President's growing foreign economic dilemmas was the growing interdependence between the United States and the world economy, a trend with enormous policy implications which were too often lost on Administration officials.

By 1984, 12.5 percent of America's GNP could be related to

traded goods and services, and some estimates showed that 70 percent of total U.S. production of goods was exposed to international competition. Forty percent of American farmland was devoted to exports. One-sixth of all jobs in the manufacturing sector depended on sales abroad. Half of the after-tax profits of U.S. corporations came from overseas subsidiaries. The nine largest U.S. banks had foreign exposure in the Third World alone of close to 200 percent of their primary capital base.

By last June, borrowing by American companies in the Eurodollar market was running at a rate of \$18 billion per year, 13 times the volume of just six years ago. Five years ago only eight percent of America's 1,600 largest pension funds invested in foreign securities, but by the end of 1984 some 28 percent were doing so. Funds from overseas financed 40 percent of our budget deficit. Canadian real estate firms like Olympia and York were reshaping the skylines of Manhattan, Minneapolis and Los Angeles. Nestlé S.A., a Swiss corporation, bought Carnation; Mitsubishi Bank acquired Bancal Tristate, a California bank with assets of \$3.9 billion; five of Japan's biggest steelmakers spent over \$500 million to buy into their American counterparts. France's Société Generale was financing the water system of Dayton, Ohio, and Japan's Sumitomo Bank was guaranteeing bonds for the University of Virginia.

Underlying the growing interdependence were massive capital movements across borders. The flow of money was now dwarfing the growth of world trade. In 1984, for example, world trade in goods and services was on the order of \$2 trillion, while global capital transfers reached \$20–\$30 trillion. It was not just that global bank lending had grown, or that the international bond markets had more than \$200 billion of outstanding issues; now an international stock market had emerged, as well.

The internationalization of capital, combined with the diffusion of technology and advances in communications, made it easier for industry to expand globally. During the first Reagan Administration, companies spread their operations in new ways. Most visible was the automobile industry, where General Motors and Toyota formed a joint venture, while Honda, Nissan and Mazda were setting up shop on U.S. shores. In late 1984, Ford announced its "world truck," which would have a European-made cab and a North American-built chassis, be assembled in Brazil, and finally be imported into the United

States. At the same time, American firms were marketing Japanese cars, and all were producing their own parts abroad for import into the United States.

New global arrangements were not confined to cars. Because of deregulation, AT&T, ITT and IBM competed fiercely for hook-ups with foreign firms like Japan's Nippon Telephone and Telegraph or Italy's Olivetti. American machine tools were increasingly "mongrels"—the design came from abroad, the parts were made in several countries, assembly was in a different location altogether and the U.S. marketing was done by recognized "brand name" firms. Even research and development were becoming truly globalized as Pratt and Whitney joined forces with Rolls Royce to develop new engine technology, and the highly nationalist France signed an agreement with 17 U.S. universities for direct access to research in robotics and artificial intelligence.

Money, exchange rates and trade were inseparable. In fact, capital shifts became the major cause of commercial frictions. When, for example, foreign funds moved en masse to the United States, they put upward pressure on the U.S. dollar. This led to a flood of cheap imports, and ultimately to quotas on autos and steel. Capital movements out of Europe undercut local investment, led to unemployment and created pressure in London, Paris and Brussels to restrict imports. Japan's trade surpluses were now being seen not only in terms of Tokyo's subtle import barriers, but also in the light of its management of the yen.

In sum, the world's intrusion into America's economic affairs made almost meaningless the distinction between foreign and domestic economic policy. Concerns about the overvalued dollar were shared by Europeans forced to pay more for oil (which was priced in dollars), by International Harvester struggling to export heavy earth-moving equipment, and by the United Steel Workers reeling from cheap imports. U.S. fiscal and monetary policy, which was driving up world interest rates, was watched as carefully in Brasília, scrambling to make its next interest payment to foreign banks, as it was in Washington by the Federal Reserve, worrying about the slowdown in midwestern housing construction.

Moreover, in the debate over America's ability to compete in international trade, attention turned to domestic issues once seen as tangential to the global economy. The American steel industry petitioned not just for quotas but for a relaxation of

antitrust rules. Major concern arose over the level of government support for non-defense research and development. A blue-ribbon California commission identified 57 ways to boost America's commercial standing in the world; two-thirds of the recommendations concerned education and job training.

Heightened interdependence also meant that actions taken in Washington could be transmitted abroad with damaging feedback effects on the United States. A good case in point was Latin America, where high U.S. interest rates led to debt pressures and severe economic belt-tightening. As a result, U.S. trade with Latin America went from a surplus of \$7.5 billion in 1981 to a deficit of \$14 billion two years later. Four hundred thousand American jobs were lost.

It was becoming impossible to address individual problems in isolation. The world economy had become a gigantic waterbed: push down on one end, and new pressures would emerge somewhere else. Continue, for example, to stimulate the economy with big budget deficits and an exchange rate that made foreign goods cheap, and consumer demand would lead to a flood of imports. Tell Chile that it cannot sell its copper to the United States, thereby reducing its foreign exchange earnings, and Chile's U.S. bank creditors would suffer. Force foreign automakers to curtail their exports of cars, and watch domestic manufacturers import axles, steering wheels, transmissions and body frames from overseas.

The Administration should have been acutely sensitive to the open and interrelated nature of the world economy and the sophistication of the policies required to deal with it effectively. Instead it embraced a naïve optimism that the unfettered market-place would handle all. As a result, there was no meaningful effort to analyze trends or to anticipate events, since, from the Administration's perspective, both efforts would have raised the unpalatable specter of planning or intervention. Better to see what the market did first, the presumption seemed to be, and then react only if the alternative was a major political or economic crisis.

IV

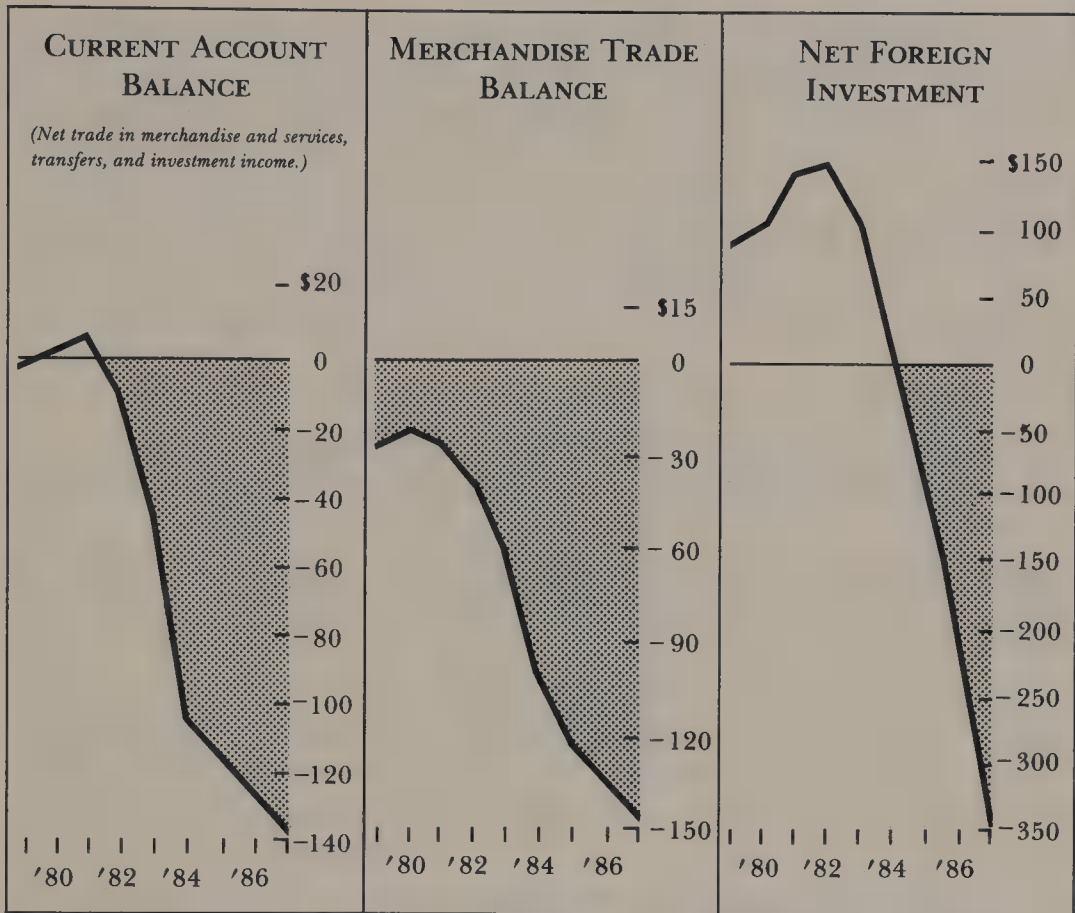
Turning to specific policies, it is clear that the Administration's most egregious error was the mix of soaring budget deficits and a restrictive monetary policy. In 1981 the fiscal shortfall was \$55.6 billion; by 1985, without radical surgery on the tax code and on government spending, America would

be locked into deficits on the order of \$200 billion for the rest of the decade. To counteract the inflationary implications of the budget stimulus, the Federal Reserve had little choice but to hold the reins of monetary policy tight. Any consideration of the international impact of these policies—either on our trading partners or on American industry's ability to compete—had to be secondary. Even most Administration officials acknowledged the imminent dangers. As the President's economic report was presented in early 1984, David Stockman described America as being on the brink of Chapter 11 of the bankruptcy code. Donald Regan warned that we were heading for a deep recession if policies didn't change. Paul Volcker said that we were playing Russian roulette with the American economy. But little was done, and the chain of events which stemmed from the combination of loose budgets and tight money over the last few years is by now evident to all.

First, there were higher interest rates. They attracted so much foreign money to the United States that the rest of the world was being decapitalized. High rates choked off investment elsewhere, as foreign funds poured into U.S. stocks, bonds, real estate and factories. Second, American banks were withdrawing funds from the world banking system, in contrast to their traditional role of providing new funds to it. Third, world debtors were particularly hard hit.

The United States was not only inducing gigantic distortions in global investments, over the next few years it would likely become a debtor nation for the first time since World War I. The traditional surplus of American assets held abroad over foreign assets held in the United States had been dwindling as overseas investments in the United States mushroomed; reputable projections showed a net U.S. investment surplus of \$28 billion at the end of 1984 and a net deficit of \$350 billion by 1986.

The vulnerabilities inherent in this trend are enormous. To be a debtor is to be hostage to the continuous assessment of fickle overseas creditors. If international markets were to lose confidence in the U.S. economy, for example, money could flow out as fast as it originally came in. Since the United States has become dependent on foreign funds to finance our budget, we would be forced to raise interest rates to stop the withdrawal. But the higher interest rates were raised, the larger would be our debt service abroad, and the weaker our balance-



Source: U.S. Commerce Department; projections 1984–1987, Data Resources, Inc. All amounts in billions of U.S. dollars.

of-payments position. This would further undermine foreign confidence in the U.S. economy.

Higher interest rates also pushed up the value of the dollar. Between 1980 and 1984, America's currency had appreciated some 60–65 percent against the weighted average of other major currencies. Our record-breaking \$130-billion trade deficit in 1984 reflected the problem. The damage was not to be measured only in the surge of imports or the de facto surtax on exports, but also in the movement of American firms abroad where the dollar would buy more. Thus, basic manufacturing companies like General Motors and Ford set up factories in Mexico and South Korea. High-tech firms like IBM and Atari also moved overseas.

The Administration's policy prescriptions for dealing with these problems became increasingly stale. The President wanted a constitutional amendment to force balanced budgets. The White House called for more budget cuts outside of programs for defense and entitlements, even as the OMB ad-

mitted that there was little left to cut. In December 1984 the Treasury released the results of its year-long study on tax reform; whatever other merits the proposals had, revenue-raising was not one of them. And at no time during its first four years did the Administration even acknowledge the need to develop policies with the specific objective of influencing the U.S. exchange rate, a critical element which, in the open U.S. economy, was affecting nearly every producer and every consumer.

Walter Heller, chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson, summed it up. "Reaganomics," he said, "is fueling our record-breaking boom in public and private consumption by drawing down our net assets at home and abroad and building up our IOUs at a record pace. Future generations will foot the bill in the form of a smaller capital stock and a big foreign debt to service."² "The U.S. is conducting a raid on world savings," wrote Samuel Brittan, the distinguished British economic commentator. "The 64 trillion dollar question is how far U.S. indebtedness can grow before overseas holders of dollar assets take fright as they previously did in the case of Latin America."³ "The Administration's passive exchange rate policy," wrote Lawrence Fox of the National Association of Manufacturers, "represents . . . an abdication of responsibility regarding the international consequences of domestic policy."⁴

V

Trade represents the second area where Administration policies largely failed. To be sure, any administration would have been under pressure to devote intensive attention to America's eroding trade position. During the last four years, however, U.S. trade and current account deficits reached unprecedented proportions, and projections showed dramatic deteriorations for 1985 and 1986. Problems resulted in almost every sector of the economy, from agriculture to machine tools.

There was in fact a debate over whether the United States was losing its ability to compete. Nevertheless, judged by countless reports from the Department of Commerce, the National

² Walter Heller, "The Unavoidable Issue," *The Wall Street Journal*, October 26, 1984, p. 26.

³ Samuel Brittan, "After the Great Reagan Victory," *Financial Times* (London), November 8, 1984, p. 17.

⁴ Lawrence A. Fox and Stephen Cooney, "Protectionism Returns," *Foreign Policy*, Winter 1983/84, p. 77.

Academy of Science, the International Trade Commission and months of continuous congressional hearings, the United States was either losing ground or seriously threatened by foreign competition—even in such future-oriented industries as biotechnology, ceramics, fiber optics and robotics.

Washington's frustration was described by William Brock in April 1984. "Both internationally and domestically," he said, "things are reaching the flash point . . . others must recognize the limits of our generosity." He continued:

In Europe, the subsidization of its agricultural system has reached such proportions that now subsidized European exports undercut more efficiently produced American agricultural products.

Well, enough is enough.

In other nations, subsidized manufactured products, like steel, are exported into our market in violation of U.S. law and international agreements.

Well, enough is enough.

Then there's Japan. . . . They fully expect an open market for their products, while delaying acceptance of the responsibility to open up their market to American goods and services.

Well, enough is enough.⁵

The Administration offered several explanations for America's problems. The overvalued dollar was identified as a principal culprit. The strong American recovery was drawing in imports at a rapid rate, while economic stagnation in Europe and Latin America resulted in smaller markets for American exporters. Some foreign governments were subsidizing their sales. Japan, in particular, was failing to dismantle its protectionist barriers.

All of these factors were, of course, in play. But the Administration itself must be held accountable for the management of our currency, as well as the debilitating effect that high U.S. interest rates had on consumer demand abroad. Moreover, there was inadequate acknowledgement at top government levels that a host of seemingly domestic policies—from taxes, to spending on research and development, to antitrust efforts—were in themselves undercutting the competitive position of American firms.

The Administration wanted badly to be seen as a free trader. The predisposition was to wait as long as possible before resorting to tariffs or quotas, without, however, taking any

⁵ William Brock, remarks before the National Press Club, Washington, D.C., April 3, 1984.

other measures to ward off mounting problems. Thus, when the Administration was forced to act, it did so after problems had festered for too long. In the end, protection was used as a substitute for the failure of broader economic policies to bring down interest rates or to achieve a realistic exchange rate for the dollar. As a result, the Administration's trade policies were to prove ineffective in stopping imports damaging to American competitiveness, and were implemented with a last-minute desperation that left little time to consider their consequences for other sectors of the economy or for the development of a more effective system for global trade.

The two most far-reaching interventions were in the auto and steel industries. In both cases the Administration demanded that foreign producers "voluntarily" restrain their exports according to a negotiated formula. The method of protection—voluntary quotas—was not new, but over the last four years it was used with unprecedented scope, as in the 1984 steel action, which could affect as much as 90 percent of incoming steel.

This use of voluntary quotas was also noteworthy because of the way such restrictions set back the development of trade rules. Since 1945, the United States has pushed for trade based on multilateralism, nondiscrimination and international surveillance. vqs were blatant violations of all three principles. They were negotiated bilaterally. They were discriminatory, freezing large market shares for traditional but not particularly efficient European and Canadian producers, and penalizing Third World exporters. They created new problems by diverting trade to markets outside the United States. In addition, vqs eliminated the possibility of multilateral monitoring and hence pressure from other nations on Washington to ease restrictions.

The proliferation of vqs was not the only evidence of the Administration's disregard for international rules and for the General Agreement on Tariffs and Trade, the world trade organization charged with developing trade law and monitoring compliance. During the first Reagan term, for example, the Administration's penchant for bilateralism included a quest for exclusive trade agreements between the United States and Canada, the United States and the Caribbean Basin, the United States and Israel. By late 1984, Washington was openly threatening to initiate a wider range of discriminatory deals.

Another weakness of the Administration's approach to trade

was that, even if Washington had been under pressure to protect certain U.S. firms, it could have demanded some commitment from those being protected to reinvest in new facilities to meet future competition. This type of quid pro quo, however, was never required. While quotas held up profits for Detroit, U.S. firms accelerated the movement of facilities abroad. While a bewildering array of barriers restrained steel imports, some of the bigger companies diversified into oil, pharmaceuticals and consumer electronics. In the end, the methods used to protect American industry were at odds with the porous nature of the world economies, the ease with which foreign producers could evade barriers, and the need for U.S. firms to restructure their operations in order to compete. Trade policy did nothing to address the underlying dilemmas of America's weakened trading position. It merely tried to buy time by plugging the dike.

A second kind of protectionism also haunted trade policy—excessive resort to export controls. In its early days the Administration tried to block construction of the Soviet pipeline intended to bring natural gas from Siberia to the West European market. Controlling the foreign sales of U.S.-based companies was not enough; Washington wanted to prohibit the export by European or Japanese firms of technology that had been sold or licensed to them by U.S. companies. In a world of complex transnational industrial ties, the embargo effort was, predictably, an economic fiasco as well as a political donnybrook. “The Reagan Administration’s frenetic efforts to obstruct the building of the Soviet-European natural gas pipeline,” wrote former Under Secretary of State George Ball, “are marked by hypocrisy, self-deception and an astonishing ignorance of past experience. . . . Its greatest cost will be political—the weakening of the alliance, the erosion of our leadership, the growing doubts among our friends as to our motives and judgment.”⁶ Eventually, the Administration was forced to retreat.

There was less controversy among the allies over whether Western nations should sell the Soviets technologies that might be used for military purposes. On that subject, however, disputes arose between the U.S. Departments of Commerce and Defense over who had authority to control strategic exports. In the end, an uncoordinated executive branch prohibited

⁶ George Ball, “The Case Against Sanctions,” *The New York Times Magazine*, September 12, 1982, p. 63.

passage of the Export Administration Act, the legal framework for export controls. The absence of legislation left enormous uncertainties, undercutting both national security and U.S. exporters.

As 1984 drew to a close, the Administration seemed to have aggravated prospects for major trade confrontations. As the President considered a massive reduction in domestic agricultural subsidies—a precipitous policy change—his trade negotiators were threatening to offset the damage to American farmers, already swimming in \$190 billion of debt, by demanding the dismantling of Europe's long-standing agricultural policies. On another front, Washington and Tokyo were deadlocked on everything from machine tools to satellites to credit cards, and U.S. officials were threatening broad-ranging retaliatory measures if more progress was not soon made. There was also a good deal of talk about precipitating an export credit war to force other nations to reduce their trade financing subsidies.

The Administration thus helped create serious dilemmas which would plague trade policy for the second term. Existing import restraints would prove to be insufficient to protect American industry, but a growing consumer lobby would object to even more of the same. In addition, the trade deficit would create enormous pressures to “get tough” on foreign governments, resulting, most likely, in an increasingly belligerent American stance, an attitude which would no doubt be emulated abroad. Economic brinkmanship seemed to be in store, with everyone a potential loser.

VI

Administration policies toward international financial institutions and foreign aid were no better. Rhetorically, President Reagan, Treasury Secretary Regan and other top officials supported the IMF and the World Bank, as have all postwar administrations. But the underlying philosophy of the Reagan Administration had a much stronger free-market focus than any American government had tried to apply to Third World development. International institutions, so the Administration's reasoning went, financed the expansion of foreign bureaucracies, not economic growth. Create the right internal environment for private investment, and national economies would take care of themselves. There were also other objections to multilateral aid. The programs of the institutions were

too lax. The IMF and the World Bank could not be controlled by Washington as easily as bilateral aid, and hence were less capable of serving immediate and shifting American foreign policy objectives.

It was a philosophy that was politically appealing to a Congress and public which had grown weary of dispensing foreign aid. In practice, however, it led to a strategy that quickly brought trouble. When Latin American countries threatened to default on their debts, Washington, other Western governments and Japan all called the IMF to the rescue. But the Fund needed more resources, and a good chunk would have to be appropriated by Congress. Having criticized international financial institutions in its first year in office, the Administration did not find it easy to now sing the praises of the IMF. Resentful of the Administration's flip-flop, Congress barely passed a multibillion-dollar authorization. It was a long and bitter debate, which ultimately cast grave doubt on U.S. support for the world's most effective financial organization. It would be a long time before Congress again approved new funds for the IMF.

The Administration also undercut the programs of the International Development Agency, the World Bank's concessional lending facility, which focuses on the poorest nations. In its earliest days, Administration officials speculated aloud about reneging on pledges which the Carter Administration had made to the IDA, but under strong protests from other governments they ultimately reconsidered. The bigger clash came in 1984, when the United States refused to go along with the overwhelming international consensus for a total IDA replenishment of \$12 billion—insisting instead on a 25-percent reduction, to \$9 billion. Adjusted for inflation, this meant a drop of 40 percent in the IDA's lending programs.

Washington's skepticism about multilateral aid was in contrast to its push for bilateral appropriations. The last four years saw highly visible solo efforts: the Caribbean Basin Initiative, the African Economic Initiative, and ever-increasing assistance to Central America, where the Administration disbursed more aid between 1981 and 1983 than Washington gave to the region in the preceding 18 years. More and more of the overall bilateral program went for security assistance. The Administration's overall aid request for 1985 gives a snapshot. Security assistance was up 90 percent over 1984 levels, while bilateral

economic aid was up five percent. Multilateral aid claimed only ten percent of the proposed budget.

It is understandable that a new Administration should want to take a fresh look at international financial institutions and the complex of foreign aid mechanisms. After all, America is the largest aid donor, and past policies have frequently fallen short of their objectives. But in shifting gears so quickly, in failing to even try to develop a consensus in Congress or abroad as to new policy directions, President Reagan did not strengthen the IMF and the World Bank, but weakened them. Intentional or not, a U.S. foreign economic strategy that downgraded multilateral structures could not have comprehended the critical need to bring on board the growing number of governments that are part of today's economic problems.

VII

During the first Reagan Administration, no single foreign economic issue received more public attention than the Third World debt. The management of the crisis can be taken as an illustration of the best and the worst of recent foreign economic policy.

To their credit, the Treasury and the Federal Reserve lowered financial lifeboats with amazing speed once the crisis broke. Nevertheless, the Administration could be criticized for allowing the problem to reach dangerous proportions before acting to resolve it. When in 1981–82 it was clear that Reaganomics was leading to big deficits, tight money, soaring interest rates and shrinking demand in the United States, someone in the Administration should have realized that Mexico, Brazil and their neighbors could not bear the simultaneous burden of higher debt service and reduced foreign exchange from exports. Yet when Mexican officials informed the Treasury in the summer of 1982 that Mexico would need massive help, Washington appeared to be shocked. Later, when the Administration pushed severe austerity as the proper recipe for Latin America, it should have been evident that American exporters would suffer. Yet it took at least a year for the Administration to take action, by which time hundreds of companies and hundreds of thousands of workers had been badly hurt.

From the beginning, the official line was that Latin America's problems were temporary and that emergency aid would suffice. It is not surprising, given this diagnosis, that little time was spent at higher levels in Washington thinking about the

longer-term economic reconstruction of a devastated continent. The neglected agenda was, nevertheless, long. It included the need to find ways, in an exceedingly cramped financial environment, to finance the massive requirements for schools, hospitals and transportation systems for young and rapidly growing populations. There was, in addition, the critical question of how to revive a bankrupt private sector, on whose prospects future economic growth would depend.

In Latin America, Washington's rhetorical prescriptions for these problems were viewed, at best, with some irony. America preached budget balancing, even as its own deficits ballooned. We touted the virtues of free trade, while blocking imports of sugar, steel and textiles, the foreign exchange lifelines of much of Latin America. We criticized overvalued exchange rates, while the value of our own currency soared.

And, as 1984 ended, the Administration seemed to believe that the worst of the problem was over. But Argentina's financial situation remained precarious. Bolivia's economy seemed truly hopeless. Chile was locked simultaneously in a state of seige and in a depression. Peru was paralyzed by an explosive combination of violence and economic stagnation. Brazil was racking up record trade surpluses, to be sure, but it suffered from 200-percent annual inflation. At the same time, the Administration was pushing again for tighter conditions on IMF lending, even as the projected slowdown in the U.S. economy and Washington's pressing need to narrow the U.S. trade deficit all spelled trouble for the struggling Latin debtors.

VIII

An important trend during the first Reagan Administration was the growing attention being given to international economic policy by state and city governments. By 1984, individual states had set up some 68 offices abroad to promote trade and foreign investment. Maryland and South Carolina, for example, had staffs in Brussels and Tokyo, and Pennsylvania opened its doors in Frankfurt and Mexico City. In the first ten months of 1984, 42 states, 32 cities and ten port authorities organized trade and investment missions or exhibitions in 41 countries. Specific states, moreover, were moving toward far-reaching policy changes. California was putting in place a broad range of measures to stimulate high technology industry. Massachusetts was considering setting up a Reconstruction Finance Corporation to revitalize older industries. Some states were setting

up venture capital funds; others were establishing their own export-import financing facilities.

In fact, nearly all of the intellectual ferment with regard to enhancing U.S. competitiveness, or to finding alternatives to simple, heavy-handed protectionism, was taking place outside the executive branch. From the universities, Harvard's Robert B. Reich helped stimulate a national debate on industrial policy with his two books, *Minding America's Business* (co-authored with Ira Magaziner) and *The Next American Frontier*. William Abernathy, also of Harvard, Lester Thurow of the Massachusetts Institute of Technology, John Zysman of Berkeley, Charles Schultze and Robert Lawrence of the Brookings Institution, and William Diebold of the Council on Foreign Relations were among those generating widely discussed ideas concerning the policies America needed in order to compete in the world economy. In Washington, the newly formed Institute for International Economics was producing a range of serious and widely debated policy proposals on trade, exchange rates and Third World debt.

The private sector was active, too. The Committee on Economic Development, for example, representing many of America's top industrialists and educators, warned against further government involvement in the economy as an answer to our competitive ills. The New York Stock Exchange released an analysis debunking the idea that the United States was losing its competitive edge. But another group of blue-chip firms, including AT&T, Texaco, and Deere & Co., indicated in an extensive and widely read study conducted by Data Resources, Inc., that America had big problems. "In the absence of improvement in the current decade, [these problems] will become insoluble in the next one," they warned.⁷

Outside the Administration, the most significant influence on foreign economic policy came, of course, from the Congress. No one would have expected a group of 435 representatives and 100 senators to speak with one voice, to be more outward looking in its approach to international affairs than the President and his cabinet, or to take the lead in developing policy. The issues had long ago become too complicated and the legislature too fragmented for that. Instead, Congress' influence was felt in how it reacted to Administration initiatives, and how it defined key problems.

⁷ *Highlights from the DRI Report on U.S. Manufacturing Industries*, Lexington (Mass.): Data Resources, Inc., 1984, p. 39.

On the biggest question—federal budget deficits—Congress must share full blame with the Administration for failing to take responsible action. The legislative procrastination, confusion and hypocrisy on this question has been inexcusable. On most other issues, however, a less critical view of Congress is warranted.

Congress gradually tightened the trade laws, giving the President increasing authority to retaliate against certain policies of foreign governments and making it easier for Americans to petition for import relief. But despite the lingering economic hardships caused by the 1981–82 recession and the temptations of a long presidential campaign, Congress did not enact any major piece of protectionist legislation. Moreover, although Democrats held the majority in the House, the Administration generally got its way when it presented a coherent program. Thus Congress ultimately passed a major appropriation for the IMF and gave the President most of what he wanted for the Caribbean Basin Initiative. It was when the Administration itself was hopelessly divided, as in the case of the Export Administration Act, that a legislative stalemate ensued.

During the last four years Congress also raised policy issues that the Administration did not wish to confront, given its strong presumption that government should be kept out of the marketplace. Thus it was Congress that demanded tighter supervision of the foreign lending practices of American banks as a *quid pro quo* for replenishing the IMF. It was Congress that debated seriously the need for foreign countries to grant America market access similar to that available to them in the United States (reciprocity legislation), or the requirement that foreign auto makers produce substantially all of their models on U.S. soil (“domestic content” legislation). True, these bills in themselves were poorly conceived, since they would have further distorted the trading system and would have brought retaliation from abroad. They were never passed, however, and they did demonstrate that, as far as a substantial number of U.S. legislators were concerned, America’s trade problems were deeply rooted and fundamental changes in strategy would be required over the next few years.

IX

It would not be realistic to expect a major change in the course of American foreign economic policy during the current term. The President’s strong electoral mandate, and the cer-

tainty that the Administration and Congress will be preoccupied with tax reform, budget cutting, banking deregulation and the containment of bilateral trade wars, all argue that past trends will continue. It will fall to the next Administration to pick up the pieces; to manage fiscal and monetary policy with more attention to their impact abroad and effect on U.S. competitiveness; to revamp trade policy so that trade wars and deindustrialization are not the only alternatives; and to build up international economic institutions to reflect the growing interdependence of national economies. The problem is, of course, that when the opportunity to make these changes occurs, the magnitude of the required change in policies will be large, and its effectiveness problematical. How many times can the roots of American foreign economic policy be pulled up?

The consequences of current policies cannot be precisely calculated. It is, of course, quite possible that the next few years will not be marked by any tangible economic crisis. "There is," said Rudolph G. Penner, director of the Congressional Budget Office, "no easily identifiable, traumatic event that clearly illustrates the effects of the deficits . . . the word 'collision' which is often used to describe the clash [between public and private borrowing] may not be exactly appropriate. A collision is a readily observable, violent event. The gradual erosion of our future prospects is much harder to detect."⁸

The same is true of monetary and trade policies. There may not be an immediate crisis. But a foreign economic strategy that is so overwhelmingly nationalistic will soon be emulated by other major trading nations. Then, if the dollar crashes, or if the industrialized nations fall back into a synchronized recession, or when another event occurs which requires a high degree of global economic collaboration, the task of concerted action will be that much more difficult. Moreover, the slow erosion of U.S. competitiveness could put America on a permanent protectionist path. And our neglect of international economic institutions will weaken them just when they are vital to the recovery of debt-ridden nations or the development of a sensible framework for trade.

In the end, it is likely that eight years of Reaganomics will be seen as a time when a U.S. Administration took its own ideological instincts to extremes and was mesmerized by its

⁸Rudolph G. Penner, statement at hearings before the House Committee on the Budget, *Views of Budget Proposals for Fiscal Year 1985*, February 7, 1984, Serial No. 98-8.

own rhetoric. Keynes had some advice which the U.S. leadership should, but is unlikely to, ponder. "Words ought to be a little wild," he said, "for they are an assault of thought upon the unthinking. But when the seats of power and authority have been attained, there should be no more poetic license. When a doctrinaire proceeds to action, he must, so to speak, forget his doctrine. For those who in action remember the letter will probably lose what they are seeking."⁹

⁹"National Self-Sufficiency," *Yale Review*, No. XII, 1933, p. 755, as quoted in Richard N. Gardner, *Sterling Dollar Diplomacy in Current Perspective*, New York: Columbia University Press, 1980, p. 385.

William D. Rogers

THE UNITED STATES AND LATIN AMERICA

As he reflected on the ironies of his first term, Ronald Reagan must have found it remarkable that so many difficulties had arisen in what he thought of as America's front yard. In comparison, the 1970s must have come to seem almost idyllic, at least on the surface; Mexico, Brazil and Venezuela had grown and prospered, the Panama Canal issue had been resolved. But then a double crisis—conflict in Central America and near bankruptcy almost everywhere—exploded just as Reagan's watch began.

II

Of the two, Central America looked to be the bigger headache at the start of 1984. The debt problem was, to most Americans, an ominous but ill-understood technical exercise; Central America was quite another matter. With the presidential election campaign about to move into high gear, there was painfully little to show for the first three Reagan years. In El Salvador, the war was stalemated. The Sandinistas were consolidating their grip on Nicaragua. The economies of traditionally democratic Costa Rica and newly democratic Honduras were in a shambles. Guatemala had experienced one of the most repressive periods of its history. The Administration was vulnerable to a Democratic attack for failing to solve the Central American puzzle in its first three years.

The President decided to turn for advice and counsel to a national bipartisan commission, chaired by Henry A. Kissinger. Its report, submitted on January 10, 1984, concluded that Central America was indeed important to the United States, but circumstances there were ominous: a severe economic decline and "war and the threat of war" almost everywhere: "The hemisphere is challenged both economically and politically. While the double challenge is common to all of Latin America, it now takes its most acute form in Central America."

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The report identified Nicaragua and El Salvador as the obvious flash points. The commission went beyond Administration policy to urge a negotiating effort to bring Nicaragua into a regional settlement based on the 21-point agreement of September 1983 among the Contadora countries—Mexico, Colombia, Venezuela and Panama. As to El Salvador, the commission emphasized the need to incorporate the insurgents there into the political life of the country, but rejected power sharing, and urged that the President reinstate the link between progress on human rights and U.S. aid to that country (though the chairman and several members warned against making conditions on aid so strict as to risk the survival of the government).

The commission's most important contribution was to lift the domestic debate over Central American policy above the immediate and the tactical to the strategic and the conceptual. To that end it said two unconventional things. First, it emphasized that progress was a seamless web—that there could be no security without growth, and therefore no simple, one-dimensional military solutions. A coordinated effort on all fronts, economic, political and social, as well as military, was essential to success on any.

Second, the commission advanced the view that the engagement of the United States in Central America should move from the bilateral onto the multilateral plane. The conflict was not just a matter between the United States and the Central Americans. It engaged the concerns of other nations, most particularly the region's two closest neighbors, Panama and Mexico.

The commission therefore proposed the quick injection of emergency aid to stabilize the situation, and an ambitious longer-term development program under multilateral auspices. That program would link economic modernization, political legitimation and social reform to outside assistance adequate to bring living standards in Central America at least back to 1979 levels by the end of the decade. The commission calculated that this meant fresh external financing of about \$24 billion by 1990. Of that, the United States should commit itself to \$8 billion over the next five years. Taking a leaf from the experience of the Alliance for Progress, and something from the Contadora process, it proposed that the effort be a cooperative one, under the supervision of representatives of the

regional states and such other nations as were prepared to make a contribution to Central American development.

The commission recognized that such an undertaking would represent a considerable increase—by some measures, a virtual doubling—of the nation's commitment in the region. Yet it concluded that, together with adequate military help, the aid effort was an essential element in what was certainly the best, if not the last, hope to meet what it saw as a challenge to vital national interests in the home hemisphere.

The commission's aid package was embraced by President Reagan, who dubbed it the Jackson Plan in honor of the late senator who had first argued for a bipartisan approach. The executive branch sent the package to Congress with a warm endorsement, though one which did not reflect the commission's effort to make American diplomacy in the region more multilateral. Congress responded by authorizing one year's economic aid.

In the end, the commission's report had little effect on the 1984 political campaign. The President occasionally invoked the Kissinger name in defense of Administration policy. In the primaries, Walter Mondale moved to the left, promising to stop what he called the "illegal war" in Nicaragua. After the San Francisco convention, however, the Democratic candidate veered off in the opposite direction, surprising some of his adherents with his call for a "quarantine" if the Sandinistas did not improve their behavior. In the end, the hopes of Democratic strategists that Central America would persuade the voters that President Reagan was reckless in foreign affairs had collapsed. The 1984 campaign made no real contribution to a definition of the issues in Central America or of the ways the nation should address those issues.

III

One thing had become clear by the year's end: the Sandinistas were a frontal challenge to the Administration's foreign policy. The Soviet Union had chalked up no gains elsewhere in the hemisphere in 1984, in spite of the rift between the United States and its Latin friends during the Falklands War two years earlier. The failure to block American missile deployments in Europe, to break out of the quagmire in Afghanistan or to gain much ground in the Middle East all stood in marked contrast with the more interesting, and less risky, prospects for Moscow in Central America. Nicaragua was one

corner in the world where Marxism-Leninism seemed to be on the march, consolidating its influence, threatening by example and growing military power to spill over into neighboring countries. The fact that this was occurring so close to home only made the contrast the more galling for U.S. policymakers.

In Nicaragua, the economy was in steep decline, as even the Sandinistas were forced to admit. There were shortages of the most common necessities. Nevertheless, on January 14, 1984, to the surprise of Washington, the regime announced that national elections would be held; talks were initiated with the political opposition over terms for its participation. The negotiations ended in stalemate—in spite of the late involvement from Rio de Janeiro of the Socialist International. Voting went forward in early November without the Coordinadora, the most moderate and presumably the most popular of the opposition groups. Junta leader Daniel Ortega was elected president, but by less than two-thirds of the vote (while a good quarter of the population abstained). It was not much of a down payment on the Sandinistas' promise of pluralism in Nicaragua.

Nor did the Administration's efforts to dislodge or alter that regime generate any very decisive results in 1984. Compared to the sanctions directed against Cuba and Libya, for example, the economic pressures were ambivalent—no aid, but no cutoff of trade—and produced classically ambivalent results. Popular dissatisfaction rose, but the Managua authorities responded with an even more strident anti-Americanism, laying the blame for all difficulties on Washington.

The military effort was another matter; it was scarcely half-hearted. To some it almost seemed that by 1984 the Central Intelligence Agency had become the chosen instrument of Administration policy in Nicaragua. And, whatever might be said about the purpose of the exercise, in execution it ranged from ineffective through unfortunate to counterproductive.

As the year began, the last shreds of deniability had been torn away from America's support for the armed opposition; what little remained was dissipated in the course of 1984 in a flood of leaks, including revelations from within the insurgent ranks. Congress had stipulated in 1982 that U.S. assistance to Nicaraguan rebels was not for the purpose of overthrowing the Managua government. By 1984, it was still possible to argue from the perspective of Washington that the effort distracted the Nicaraguan armed forces and, in the end, might persuade the Sandinistas to negotiate seriously. But it was hard to believe

the official version: that the guerrillas themselves were defending El Salvador, or fighting to protect a country to which they had no loyalty and had probably never seen. So Congress was engaged in an open debate for most of 1984 over whether to continue the covert CIA funding. The Kissinger commission's report, which had not attempted a collegial judgment on this aspect, had no calming effect—and did not mask the fact that the United States was supporting a military uprising against a recognized government with which Washington was simultaneously carrying on conventional ambassadorial relations.

The paramilitary effort within Nicaragua was backed by an unprecedented U.S. military display in neighboring Honduras—featuring the stationing of U.S. forces, the construction of airports and ground facilities, combined maneuvers, and intelligence-gathering on a scale never before seen in the hemisphere, even during the prelude to the Bay of Pigs. Then, when in early April it came to light that the United States had been assisting the anti-Sandinista forces in laying mines in the approaches to Nicaragua's harbors, Managua was not the only world capital to react. The news caused a storm in Congress. Support for continued aid to the Nicaraguan opposition collapsed. Senate Intelligence Committee Chairman Barry Goldwater publicly blasted CIA Director William Casey for failing to disclose the operation.

Nicaragua formally denounced the paramilitary effort before the World Court in The Hague in April. Forewarned, and mindful of the fact that the United States was one of a few nations which had accepted the compulsory jurisdiction of the court, the Administration tried to withdraw. The effort failed as a legal tactic; on May 10, as a preliminary measure, the World Court, for the first time in its history, ordered the United States to respect the sovereignty and political independence of another country. In December, in the face of vigorous U.S. objection, the court ruled that it had jurisdiction and would proceed to the merits of the case.

The decision was a political setback. It allowed critics to charge that President Reagan was prepared even to abandon the rule of law which had been the very essence of Wilsonian idealism in American foreign policy. The propaganda advantage at The Hague was Nicaragua's by a wide margin. And there was no prospect for relief in the months ahead. The court's determination to take jurisdiction and weigh the charge that the United States was violating international law by using

force against another state posed a particularly nasty issue for the Administration, and one which would have repercussions beyond Central America—especially as the United States decided to turn its back on the World Court altogether.

And there were still more recruits to the legion of Central American troubles before 1984 ended. In November it was revealed that the CIA had written a manual for the Nicaraguan guerrillas seeming to countenance assassination and taking for granted that the insurgent effort was aimed at overthrowing the regime in Managua. This was followed by a leak on U.S. election day, from within the executive branch, that advanced MiG aircraft were on their way to Nicaragua aboard a Soviet cargo ship. The uproar over the manual stirred apprehensions that the CIA was succumbing to its old instinct for dirty tricks in violation of congressional and executive branch restraints. The report about the MiGs was never confirmed, and the secretary of state denounced the leak as “criminal.” But the incident, like so much of the CIA paramilitary effort in 1984, played straight into Sandinista hands.

IV

By year's end, the Administration was at an awkward crossroads. Within the CIA itself, as well as in the press and Congress, there were growing reservations about “Casey's War,” and the attempt, as some saw it, to use an intelligence institution for paramilitary purposes. Moreover, covert military operations, some thought, did not fit with the increasingly open character of American foreign policy in the 1980s. There was even the suggestion that, given the likelihood that any major covert operation would not remain covert for long, almost no secret military effort in Central America was feasible.

In any event, there was strong indication that the effort to move Nicaragua primarily by the application of raw military pressure, through armed opposition within and American military maneuvers without, was coming to a dead end as 1985 began. Congress had determined in 1984 that further aid to the Nicaraguans fighting the Sandinistas should cease unless it legislated new approval by March 1985; the chances were fairly low that that consent would be given. Even the new chairman of the Intelligence Committee, Senator David Durenberger (R-Minn.), announced his opposition.

There was something ironic in all this. For, while opposition to the covert war had grown, so too had opposition to the

Managua regime. Indeed, what sympathy the Sandinistas had enjoyed in the first few years after overthrowing Somoza's dictatorship was well nigh gone. Thus, almost any other anti-Sandinista policy would have enjoyed popular support in the Congress.

The covert military pressure had not been without results. It had served to interdict some of the arms flow to El Salvador and to blunt the offensives there in 1983 and 1984. But, as the contras themselves were badly divided and had no charismatic leader, U.S. assistance had not precipitated the popular uprising in Nicaragua that some optimistic covert operatives had predicted. Nor had it induced the concessions that the State Department had hoped for from the Sandinistas. The regime was stung by the raids and fearful that more was on the way—as witness junta leader Daniel Ortega's warning to the U.N. General Assembly in October that the United States was about to mount an invasion. But the Sandinistas were not soon to be dislodged by force alone.

Managua's intelligence and military capabilities were far superior to those of the armed opposition and were greatly bolstered by a substantial flow of new Soviet military hardware in 1984. The consequence was that the diplomatic opportunities to exploit the military pressures after the invasion of Grenada in late 1983 had been considerably dissipated a year later. At the end of the President's first term, U.S. paramilitary pressure was producing more and more embarrassment in Washington and less and less intimidation in Managua.

There was no evidence at the start of the second Reagan term that the Administration had pieced together a credible new strategy. Indeed, the evidence pointed the other way. The impression was of an Administration in disarray, resorting to competitive leaking in the absence of policy decisions. No great difference of opinion was discernible in the Administration—or in Washington or in the country—over ultimate objectives, if a negative can define an objective. As Administration spokesmen summed it up: no more Cubas, but not another Vietnam either. In other words, opposition to the entrenchment of a second Marxist regime in the Americas, but no willingness to risk another war which would divide the nation.

Washington was painfully aware that an invasion of Nicaragua would produce strong reactions in Mexico and throughout South America, and would significantly set back U.S. interests. Managua, in spite of its recurring alarms, had been exquisitely

careful to provide no pretext for an invasion; nor was there much prospect that it would respond to provocations from Honduras in 1985 with a lurch across the northern border. Though the Grenadian invasion had suggested to many that the President might try something similar in Nicaragua, the odds at year's end for a frontal U.S. assault seemed low.

The disinclination to use American force reflected a broad national uncertainty about the nation's interests in the region. Not that many Americans found anything to admire in the Sandinistas. But, in spite of the Kissinger commission, there were also not many who fully grasped the strategic importance of Central America itself. It was easy enough to see that the United States would have something vital at stake if Panama or Mexico, at either end of the isthmus, were threatened. But Mexico, by most accounts, had emerged from its financial purgatory, and Panama was moving, if somewhat uncertainly, from rule by the Guardia Nacional to the civilian presidency of Nicolás Barletta, in what could be an authentically democratic chapter in that nation's history.

There was thus a reluctance in the United States to believe that the fire in Central America would spread, in part because it had not during the first four Reagan years, in part because U.S. experience in Southeast Asia since 1975 had not created a strong belief in the domino theory, in part because Central America's anguish seemed so particular to its special circumstance and history. The President had also contributed to this sanguine attitude. Revived American confidence about the nation's prospects in the world reinforced that strain in the American character which tended to assume that time, reason and good will could erode most international hostility. Thus, if America was standing taller in the world after Ronald Reagan's first term, it did not have a crusader's sword in its hand, at least not in Central America.

v

How to steer a course between the threat of another Cuba and the risk of another Vietnam had generated an increasingly bitter and public dispute within and between the foreign affairs agencies. The CIA advocated more of the same, arguing that the paramilitary pressures had been responsible for whatever conciliation Managua had displayed in 1984 and that the secret war, even if it did not produce a military victory, might yet split the Sandinistas or precipitate a popular uprising. Some in

the Defense Department suggested a more imaginative course, breaking diplomatic relations with Managua and openly recognizing the insurgents as a legitimate government.

Most in the State Department, on the other hand, argued for a redoubled negotiating effort. In a surprise visit to Managua in June 1984, Secretary of State George Shultz had opened a bilateral negotiating channel that continued between Ambassador Harry Shlaudeman and the Nicaraguan deputy foreign minister, Víctor Hugo Tinoco, into the new year. These talks were intended to move in cadence with the Contadora discussions. The two negotiating tracks presented the best chance of finding out whether it was possible to arrange a tolerably enforceable system of containment of Nicaragua, a reduction and stabilization of the arms in the region, and something tangible in the way of guarantees to the Nicaraguan political opposition. Peace abroad and pluralism at home might over time permit a more open and less expansionist regime in Managua, at least so the State Department contended.

But a solid block of opposition within the Administration—to say nothing of the conservatives in Congress—opposed the accommodationist implications of the State Department's negotiation policy. First, it was argued, the world lived by a double standard; totalitarian regimes do not abide by international agreements, while democratic ones feel obliged to honor them. Second, a deal would legitimize the Sandinistas. Third, almost any Washington-Managua accord would have to abandon the insurgents, who had risked much in reliance on U.S. support, and this would send precisely the wrong signal to other friends of the United States around the world.

The Cuban example was also cited as a warning. The Cuban Missile Agreements of 1962, as supplemented by the Kissinger-Dobrynin exchange over a Soviet naval base in 1970, had been the example of how to defuse superpower competition. By the end of President Reagan's first term, some in the Administration had begun to suggest that the 1962 arrangement was, in fact, quite unfavorable. Their argument was that the agreement, by explicitly banning only the installation of offensive weapons in Cuba in exchange for a no-invasion pledge by the United States, had by implication authorized almost everything else, while the United States remained bound by its own promise. Thus, it was argued, Washington had to acquiesce in the colossal expansion of Cuba's power between 1970 and 1984, its installation of world-class antiaircraft defenses and its

projection of military might into Angola, Ethiopia, Yemen and, finally, Central America.

The opponents of the negotiating option were also skeptical of the Contadora process. The Contadora countries and the Central American nations, had, with much travail, followed up the September 1983 Twenty-One Points with drafts in June and then in September 1984 of a treaty, or "Acta," to be signed by the five Central American governments. The Acta contained elemental commitments of nonintervention, arms control and internal democratization. Nicaragua noticed that the draft would stop U.S. military aid to both the government of El Salvador and the Nicaraguan opposition on the spot, while postponing any reduction of existing arms to later leisurely talks, and embraced the proposal immediately and as drafted. Washington, on the other hand, reacted with a huff. Once again, the propaganda initiative was Managua's.

Those who opposed negotiations claimed that the incident revealed the inherent flaws of multilateral bargaining. To the contention that such a negotiated regional settlement, even if imperfect, would at least enjoy the support and endorsement of the regional powers—who after all were closer to Central America than the United States—the no-negotiation school responded that even the drafting of the Acta had proved almost too much for Contadora; to expect any real policing of Nicaragua's weapons stock by Mexico and the others after the signing of the Acta was hopelessly naïve. Furthermore, they contended, the Contadora countries seemed convinced that the real danger was not Marxism, but a new war; the greater the U.S. military involvement, the higher the risk of war.

In this way the governmental debate had produced by year's end a fair definition of goals—but a stalemate over means and methods. The stage was set for what was likely to be a bitter struggle over American foreign policy in the region in the second Reagan term.

The disarray polarized popular concerns. Liberal Democrats charged that the Administration would never bring itself to a negotiated compromise. They saw the call for pluralism in Nicaragua as a smokescreen (as proof they cited Washington's attitude toward the Pinochet regime in Chile). The President, they charged, would never be satisfied until the Sandinistas signed their own political death warrants. The United States should ease up on efforts to change the internal political arrangements in Nicaragua and settle for whatever security

guarantees it could get. Conservatives, on the other hand, argued that Central America was the acid test for Reagan's foreign policy; they saw immediate Nicaraguan democratization as indispensable to peace and threatened to make the adoption of a hard line on Nicaragua the litmus test for nominees to high diplomatic posts in the second Reagan term.

The implications of the struggle extended beyond Central America. For the argument in fact mirrored larger East-West issues—whether containment was enough; whether the West, safe behind an adequate security shield, should look to its economic, political and moral strengths to work their corrosive effects on Soviet ambitions over the long term, or whether, on the other hand, Washington should finally conclude that agreements served no purpose and that moderation in Moscow—and in Managua—could be expected only under pressure.

Thus was the Nicaragua issue defined as President Reagan began his second term.

VI

It was Cuba which had made Nicaragua so significant for the United States. Cuba, the only Latin nation dedicated to regional revolution, conducting a world foreign policy, defining itself by its opposition to the United States.

For most of the first Reagan term, U.S.-Cuban relations were frozen. Cuba had made no effort to mask its sympathy for the Sandinistas, and had been the primary agent of the massive military buildup in Nicaragua after 1979. Then Secretary of State Alexander Haig had called Havana the "source" of Central America's troubles. Such rhetoric did not flow trippingly to the lips of his successor, but there was no evidence of movement in the relationship of Washington and Havana for much of 1984. Then, almost as the year came to an end, Cuba and the United States announced an agreement. The 2,700 Cubans who had come to the United States as part of a mass exodus from Mariel Harbor in 1980, but who, either because of criminal or psychiatric disqualification were excludable under U.S. immigration law, would be returned to Cuba. In exchange, the United States would reinstitute regular immigration for Cubans to the United States.

The question immediately arose whether the new agreement hinted at a broader settlement between Washington and Havana in the second Reagan term. Could the Administration, now free of reelection concerns, contemplate a diplomatic

opening to Cuba in 1985 on the model of Nixon's China achievement? Would this reshuffle the Central American deck?

The odds were low. Crusades end when the crusader is either defeated or becomes exhausted. From all the evidence, Fidel Castro's self-image as hemispheric leader is undiminished. He also continues to enjoy a Soviet subsidy, now inching toward \$4 billion each year. Both parties to that bargain receive full value. A Cuba less hostile to the United States could not expect such favors. For the Soviet Union, Cuba's support for those who would reduce U.S. influence carries a low risk. Moscow's prestige is not on the line in Central America; it can disclaim responsibility. And a more conciliatory attitude would tarnish Castro's revolutionary image, which, after all, underpins his pretensions to a world role and to ultimate historic meaning. In sum, the Mariel agreement did not look like a harbinger of any basic change in Cuban-American ties.

VII

In El Salvador, in 1984, events took a more positive turn. For much of President Reagan's first term, that nation had been perilously close to collapse. The hopes for reform spawned by the military coup of 1979 had been mostly unfulfilled; many non-Marxists had concluded that there was no place for them in the government; a very few had even joined the insurgents. The nation was bankrupt, its economy torn by guerrilla violence and capital flight. Murder remained a principal instrument of politics. The death squads went about their work. The Administration persisted in the effort to nurture a democratic center, to its permanent credit, and in spite of skepticism from both the left and the right. But for the first three Reagan years the prospects in El Salvador were distinctly unpromising. As 1984 began, Congress, though reluctant to take responsibility for a complete cutoff, was moving to adopt human rights conditions so stringent as to threaten the continued U.S. aid program on which the Salvadoran economy depended.

Instead, the year brought a dramatic change of fortunes. The long effort began to pay off. In elections in March and May, which even the insurgents had difficulty faulting, José Napoleón Duarte emerged a clear victor over his right-wing opponent, Roberto D'Aubuisson (though the opposition gained a majority in the National Assembly). Duarte's post-election visit to Washington confirmed the shift in mood; Congress

responded with a new show of affection and support. The murderers of four American churchwomen were tried and convicted in El Salvador and, in any case, there was a general willingness to accept that the new president was not responsible for the continued, if somewhat lower, level of activity of the death squads, and to take on good faith his own claims that he was doing all he could to restore law and reinstitute order. A \$70-million supplemental military appropriation was approved in August, thus bringing total military aid to \$196 million for 1984—an amount equal to the previous three fiscal years combined.

Duarte entered his presidency with a strategy. First he turned to the right, strengthening his hand with the military leadership and separating them from the reactionary extremists. The effort, which enjoyed strong but tactfully expressed American backing, may have worked more rapidly than the new president thought possible. Shortly after the election, he and his close associates had announced he would not talk with the rebels in his first year in office. By the time he came to New York to address the U.N. General Assembly on October 8, however, he was ready, with the backing of Defense Minister Carlos Eugenio Vides Casanova, to announce the opening of direct talks with the insurgent leadership.

The first meeting took place in La Palma, El Salvador, on October 15; it sparked a national outpouring of the well-nigh universal desire for an end to the killing. But the high initial hopes were not realized. At later talks in December the rebels reaffirmed their insistence on power sharing, a fundamental reordering of the central government's military structure and a merger of the two armed forces. Guillermo Ungo, designated political spokesman for the insurgents, said that in El Salvador there are two nations, two forces, two powers. The Duarte government, he insisted, must recognize the opposition on terms of virtual equality.

Though the government and the insurgents were far apart at year's end, the Reagan Administration was doubly fortunate with developments in El Salvador in 1984. First, Duarte's election, the improvement in human rights and the peace talks disarmed the liberal Democrats; their campaign demands that further aid be conditioned on the willingness of the Salvadoran government to negotiate had been met, and they were not tempted to go further and urge a rebel share in government power before the insurgents won that share at the polls. Second,

Duarte changed European opinion; after the elections in El Salvador it became far more difficult for Europeans to attack America for supporting the right.

By the turn of 1985, furthermore, the military situation had improved markedly. The rebels had had no major victories for months, and were in some disarray. The war was confined to the eastern provinces; the tempo of city life and commercial activity was resuming, slowly but palpably.

Nevertheless, the conflict was far from over. There was no prospect for a quick bargain to end the killing and reintegrate the rebels into the political processes of the nation—only for a long, slow, slogging effort to resuscitate the economy, create opportunities for productive private foreign and local capital, rebuild the highways and powerlines, and reinspire land reform. The need for a sustained U.S. commitment, which the Kissinger commission had tried to illuminate, remained, and the Administration knew it. Congress had approved only one year of economic aid on the last day of its 1984 session. The question of a long-term pledge was left for the 1985 legislative term, and the new year would determine whether the American people were ready for such a commitment, even in the face of the remarkably good news from El Salvador in 1984.

VIII

If the quarrel over the U.S. role in Central America was noisy and inconclusive, there was at least a debate. This was not true for all of Latin America. For 1984 the rest of the region was in mid-passage toward a future heavy with consequence for the United States. But the struggle in the rest of Latin America earned far less attention than that in Central America—except on the financial pages.

Again, as in the case of Central America, troubles had arisen just as Ronald Reagan became President. Latin America had made remarkable economic progress through the 1970s, so rapid, in fact, as to create a general impression that internal development and international lending could continue indefinitely. U.S. bilateral aid to Latin America dwindled to almost nothing in the late 1970s, and no official thought had been given to safety-net mechanisms to sustain growth should the international environment turn sour.

The hemisphere and Washington were unprepared for the second oil price increase, the explosion of international interest rates and the drying up of capital lending by the private banks.

Bowing to the inevitable need for internal adjustment and help from the International Monetary Fund (IMF), Latin America went into economic reverse gear in 1981—and seemed to be stuck there through 1982–83.

The consequences in human terms were fairly hideous—for the poorest, declines in nutritional standards and a rise in the numbers scavenging garbage; for all, the slashing of public expenditures for schools, housing and medical services, and a general business recession. Employment, output and standards of living were down in almost every Latin country in every year of the Reagan presidency. (And unemployment would have been even more severe but for the decision in Brazil and other countries to reduce nominal wage increases below inflation.) And yet there was no explosion and no swing to radical extremes—nasty demonstrations in Argentina, Peru and the Dominican Republic, for example, but no rending of the political fabric.

Indeed, just as it was passing through its most severe economic crisis in modern history, Latin America was also experiencing a remarkable resurgence of political democracy. Two decades earlier, in the golden glow of the Alliance for Progress and Latin America's love affair with President Kennedy, freedom went into decline; in South America, only Venezuela and Colombia were able to preserve elected civilian governments through the 1960s. In contrast, by 1985 the measure of freedom of the people of Latin America was higher than at any time since independence. In all of South America, only Chile, Paraguay, Guyana and Suriname remained under authoritarian rule.

The coincidence of political democratization and economic discipline and distress did not fit traditional stereotypes about Latins in the United States. This may explain why America's response was so wondering, so distant from the reality of what was occurring south of the troubled isthmus. In the United States authoritarian regimes had been accepted as Latin America's natural fate; the tougher the economic circumstance, the more authoritarian the regime. No government could hold an austerity line, it was thought, unless it was prepared to use force. The early 1980s ended that double standard. Latin Americans were proving that they had as deep an aspiration and as strong a claim to representative government, guaranteed personal rights and the elimination of arbitrary power as North Americans, Europeans and Japanese.

In fact, it was the progress of Latin America in general, and Brazil and Argentina in particular, toward more free political systems that may have made the new austerity less incendiary. Had military rule continued in those two countries, or had Mexico, Jamaica, Venezuela, Peru or Ecuador been controlled by illegitimate regimes in the early 1980s, the likelihood of explosion would have been considerably higher.

In Brazil, the change was positively majestic. For much of 1984, the government party made periodic efforts to push its candidate, Paulo Maluf, on the electoral college. All were turned back, thanks to an electoral court which discovered the virtues of judicial integrity none too soon and to a military president, João Baptista Figueiredo, prepared to sack those of his fellow generals who threatened to block the process. Thus, at almost the very moment Ronald Reagan was to be inaugurated for a second time, Brazil would celebrate its swing back to democracy by electing Tancredo Neves, the first civilian president of Brazil since 1964 and a member of the opposition at that. And to mark the new era on the economic front, late 1984 forecasts suggested that Brazil would enjoy positive growth of over four percent, with another strong trade surplus of some \$12 billion in 1985.

But the good news for Washington was not merely the swing toward democracy. The electoral process was producing new Latin leaders who, taken together, were a surprising cut above the historic average—less corrupt than their predecessors, more competent to deal with the economic challenge, more prepared for a new tone in the U.S.-Latin American relationship. Too often in the past the United States had been faulted by its southern neighbors both for intervening and for not intervening—for doing too much and at the same time attempting too little. An increasingly democratic Latin America seemed also to be working its way to a more mature view of the United States.

Considerable progress was also made in 1984 on the international debt crisis, which was so predominantly a Latin American phenomenon. Mexico and then Venezuela negotiated agreements in principle with the private banks, based on domestic adjustment programs blessed by the IMF, for stretching out their repayment obligations well into the 1990s. The banks agreed to forego up-front commissions and to accept interest-rate spreads significantly lower than those on the 1982–83 Latin American debt restructurings. The IMF undertook new

responsibilities for monitoring the programs. These two arrangements set a pattern, and Brazil could now look forward to a similar understanding when it came time to renegotiate its debt. In consequence, the mood at the September meeting of the IMF and World Bank was almost euphoric in contrast with the general pessimism over the financial prospects for Latin America in 1982 and 1983.

IX

But the Latin debt crisis did not end in 1984. Even restructurings and export surpluses in the major countries would not guarantee success if the governments could not at the same time improve economic conditions for their citizens. No nation in Latin America had yet proven that it could combine strong growth with international solvency in the 1980s. None had even fully implemented the promised economic reforms; the full effects of those were still to be felt. Even with restructuring and successful adjustment, Latin America's debt service obligations will represent a large fraction of its total export earnings for the rest of the decade.

And some countries had not moved so far back from the edge of disaster as Mexico and Brazil. New to the democratic experience, Argentina had for much of 1984 resisted the adjustment measures accepted by the other two. It was only in September of 1984 that President Raúl Alfonsín could bring himself to accept the IMF's terms, and only in the last days of December that the nation, the foreign banks and the IMF came to a three-way undertaking to provide fresh outside capital in exchange for stringent restraints on public sector deficits, domestic money growth and inflation—commitments that only the most optimistic expected Argentina fully to meet in the months ahead.

Peru's President Fernando Belaúnde Terry, though an elected civilian, faced severe challenges. The Maoist Shining Path movement was embarked on the most vicious campaign of domestic terrorism in South America. Like Alfonsín, Belaúnde had refused austerity and adjustment, and opted instead for continued social and infrastructure spending, with a third of the budget earmarked for the army. By year's end, Peru seemed to be falling into the black hole of social chaos predicted for Latin America ever since the financial crunch began. The prospect of presidential elections in 1985 offered some hope,

but—for 1984 at least—Peru had demonstrated that democracy did not automatically guarantee economic success.

Such was also the case in Bolivia, where inflation rates of over 2,000 percent set a record remarkable even for Latin America. An elected but weak president, Hernán Siles Zuazo, was unable to control trade union featherbedding demands and could only look in vain for a large foreign aid package to finance his way out of trouble. In Chile, with close to the largest per capita international debt in the world, unemployment soared; one out of three people was out of work or employed only part-time.

In short, though democracy may have made progress possible, debt and recession could yet turn the political clock back in Latin America. Indeed, Central America could be seen as a warning of what might develop in the rest of the hemisphere if no longer-term solutions are found. The stakes for the United States in Central America would seem small indeed compared to the implications of a collapse, or a lurch into Marxist revolution, in one or more of the big South American countries. The likely inability of Latin America to service its collective debt obligations and grow rapidly at the same time was as direct a challenge to the international interests of the United States as any to come out of the hemisphere in the century—surely as serious as Castro's rise to power in Cuba, the battle over the Panama Canal or the rise of the Sandinistas in Nicaragua. The international financial system was hostage, the geostrategic stakes around the world sizable. Yet, through 1984, the Administration passed up its opportunities to develop a more forward policy.

It was reluctant to see the economic crisis in political terms. In contrast to its heavy engagement in Central America, Washington seemed to think that Latin America's financial problems should be left as far as possible to the private banks and the IMF—with an occasional (and admittedly crucial) bridge loan from the Treasury Department to smooth things over.

It could not be said—though some Administration officials came close to saying it—that the United States had no responsibility for the problems. International interest rates went through the roof in the early 1980s in part because of the dazzling incompatibility of Washington's fiscal and monetary policies. If economic decisions in President Reagan's first term were largely determined by domestic considerations, the consequences were certainly international. Brazilian treasury offi-

cials claimed, for example, that the deterioration of Brazil's terms of trade from the overvaluation of the dollar, combined with the additional interest charges resulting from inflated international interest rates, had added \$25 billion to that nation's external debt.

Though the 1984 restructuring-cum-adjustment agreements were made in form between the private banks and the Latin debtors, they involved in practice large public policy decisions—how tight to turn the economic screws, how much to expand the flow of fresh financing. The United States was engaged in those decisions, not as part of a long-term strategy defined through diplomatic discourse with the nations whose futures were so vitally affected, or even through the established foreign policy departments, but on an ad hoc basis. The key Administration participant was not the State Department, or even the Treasury, but Federal Reserve Chairman Paul Volcker, who was largely responsible for defining U.S. attitudes toward the debt renegotiations, speaking for the United States in the inner councils of the IMF and determining how far to press the banks for new capital, lowered commissions and flexibility on stretching out repayment.

This curious arrangement had helped the world through the first stage of the crisis. The U.S. government had been instrumental in staving off disaster for Mexico and Brazil, in fact. But there was no evidence that Washington was preparing anything more systematic for the longer term. On the policy level, it had concentrated in 1984 on conducting a successful rear-guard action against the effort of some Latin American countries in the so-called Cartagena Group to construct a common debtors front. But it was slow to suggest anything positive or to help chart a course to 1988, even after the reelection of President Reagan. Washington's rhetoric about nurturing the democratic trend in Latin America was impressive enough. But the words—and certainly the deeds as well—lagged behind the reality of the region's economic difficulties, to say nothing of their political significance.

Democracy picked up momentum in Latin America in the early 1980s. This was more than an aberration, or a temporary swing in the pendulum. The causes were fundamental—a decade of economic advance, the containment of the subversive threats of the 1970s, in Argentina the sobering after-effects of the Falklands War, a willingness of the military to go back to soldiering, a less demagogic attitude among civilian politicians

in the region. But systemic as these factors were, a reversion to authoritarianism was by no means inconceivable; the political progress of Latin America in the early 1980s was not irreversible.

X

The United States is scarcely a disinterested observer; what it does will directly affect Latin America's future. At a minimum, the United States must be willing to give greater weight to the international repercussions, particularly in its own hemisphere, of its national economic policies. The American budget deficits may on balance have been beneficial to Latin America during the first Reagan term. But the consequences of another four years of continued massive U.S. borrowing could well prove disastrous. The geostrategic interests of the United States in this hemisphere demand that America make a major effort to assure continued growth in the industrial nations with moderating international interest levels, greater policy convergence, a gradually declining dollar and more stable exchange rates. In trade, too, a commitment by the United States is essential. Latin America's capacity to service its stretched-out debt, even under tight domestic conditions, will depend on continued access for its exports to the markets of Europe, Japan and North America.

But even lower interest rates and healthy exports will not be enough. Washington's concern must move beyond adjustment and trade to financial flows, if the new debt agreements are to be worth much more than the paper they are written on. This has a host of implications—expanded resources for the IMF, the World Bank and the Inter-American Development Bank, additional official bilateral aid, measures to expand the flow of private equity investment and cooperative efforts to reverse the outward tide of Latin American savings.

Latin America cannot avoid taking stern measures of its own. It must reorder its badly misaligned economies, and move beyond the statist development strategies of the past. More Latin American leaders are prepared to accept this grim truth than ever before (and the U.S. Administration deserves no little credit for the change in perception). But those leaders also know that no government can ask its people for permanent sacrifice just to maintain an international credit rating. Further adjustment will require economic growth. The coexistence of democracy and austerity is not sustainable forever.

The United States has a central role to play. It has done so before, with the Alliance for Progress in 1961, when it recognized a threat to the very fabric of the nations of Latin America, and an opportunity to make a crucial contribution to the social, political and economic development of the hemisphere. The Americas are at another turning point as 1985 begins. The second Reagan Administration has an opportunity to build on the achievements and good luck of the first. But to do so will require a more forward strategy, and a willingness to dedicate to its large stake in the rest of the hemisphere some of the commitment it has to date so heavily concentrated on Central America.

Dankwart A. Rustow

REALIGNMENTS IN THE MIDDLE EAST

Nineteen eighty-four was a year of realignment throughout the Middle East, a year not of the soldier, but of the diplomat and the politician. The war in Lebanon abated; the war in the Persian Gulf sputtered along without clear outcome or design. Syrian's renewed ascendancy in Lebanon and the continuing threat to the whole region from Iran's militancy contributed to an intense round of diplomatic maneuver among moderate Arab countries, notably Egypt and Jordan. The United States, extricated from its Lebanese misadventure, helped to limit the Gulf war and provided military support to friendly countries such as Saudi Arabia and Egypt. The Soviet Union, taking stock of a series of substantial setbacks in the region since 1979, and finding Syria and Libya to be less than reliable partners, was striving to extend its diplomatic influence among those same Arab moderates, either directly or through its only faithful protégé, South Yemen.

Ayatollah Khomeini's Iran was unwavering in its revolutionary rhetoric and its determination to eliminate domestic rivals such as the Tudeh (Communist) Party. Eager to break the stalemate with Iraq, it periodically threatened to extend the war southward to other Gulf countries, such as Saudi Arabia and Kuwait. Yet, in its continuing acute need for earnings from oil exports and for imports of weapons, Teheran felt some incentive to present a more normal diplomatic image to the world at large.

Israel went from war in Lebanon into the most severe economic crisis since the founding of the state. The Israeli system responded to the challenge with the formation of a remarkable, broad national coalition which, if it could endure, held substantial promise of political as well as economic regeneration. And Turkey, well along in its own recovery from an earlier economic and political crisis, reaffirmed its role as America's oldest ally in the region even as it reached out for closer economic and political relations with its Middle Eastern neighbors.

President Reagan's September 1982 plan for a West Bank

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and Gaza settlement "in association with Jordan" had been pushed aside by the year-and-a-half intervention in Lebanon. Yet, given the new diplomatic activity of Jordan, Egypt and others late in 1984, the plan gained new relevance, although it may have to compete, in the years ahead, with the notion of a more comprehensive Middle East peace conference which Moscow launched in mid-1984.

The chain of developments released in 1984 could lead to polarization or rapprochement, depending on the skill of the players in the Middle East, Moscow and Washington, and on the inevitable accidents of the interplay among them. On the surface, 1984 may seem an unusual year for the Middle East, without major acts of aggression or dramatic peace overtures; without coups, new civil wars or revolutions; without super-power confrontations or global oil crises. Yet new relationships were formed, and new foundations laid, that will decisively shape the Middle Eastern constellation in years to come.

II

On February 7, 1984, President Reagan announced the withdrawal of the 1,600 U.S. marines from Lebanon—or, as he euphemistically put it, a request to the secretary of defense "to present me with a plan for the redeployment of the Marines from Beirut airport to their ships offshore." Withdrawal was accomplished quickly between February 21 and 26, ending one and a half years of American exposure to guerrilla and terrorist attacks that had claimed the life of 241 marines on October 23, 1983, and, on January 18, 1984, of Dr. Malcolm H. Kerr, president of the American University of Beirut.

The American venture into Lebanon had begun in August 1982 as a classic peacekeeping operation, as multinational (U.S., French, British and Italian) forces secured the departure of Palestine Liberation Organization units within three weeks, and prevented the destruction of the Lebanese capital by the besieging Israelis. But, instead of resolving the internecine Lebanese conflict, the PLO's departure led to a more intensive round of violence, including the assassination of President Bashir Gemayel, massacres in the Palestinian refugee camps—and the prompt return of the multinational force.

This time Washington defined the mission of the marines, and of U.S. officers attached to the "Lebanese army," with great ambiguity: as one of keeping the peace and supporting the government's "legitimate" authority. Alas, none of the

armed militias (Druze, Shi'ite and Sunni Muslim, Christian Phalangist and others) acknowledged the government's legitimacy; units of the Lebanese army quickly defected to the very militias they were ordered to combat. The marines' own guard duty at Beirut airport became untenable in September 1983, when Israeli forces yielded their position in the Shouf Mountains above to hostile militias, exposing the U.S. force to relentless artillery fire. In sum, the U.S. military in Lebanon found no peace to keep, no legitimate government to support—and no station from which to accomplish bare self-defense.

The longer it lasted, the more the U.S. presence tended to commit American prestige. The typical response among moderate Arabs to the Reagan peace initiative of 1982 was to await the result of Washington's efforts to secure Israel's departure from Lebanon, as an earnest of American "credibility." President Reagan himself warned in October 1983 that the presence of the marines was necessary to keep Lebanon out of the hands of the Soviet Union or its "surrogates," and, indeed, was "central to [U.S.] credibility on a global scale."

Throughout its checkered history, Lebanon had enjoyed long intervals of communal peace and commercial prosperity under Ottoman-Turkish and French imperial rule. But how could a temporary force of 1,600 marines impose a new order of legitimacy on armed forces in the tens of thousands? Indeed, the American token presence tended to delay any settlement—as President Amin Gemayel sought to involve the United States on his side, and his opponents, such as Druze leader Walid Jumblatt and Shi'ite leader Nabih Berri, sought to invoke Syrian support and stall the talks until the Americans should have withdrawn.

As negotiations resumed upon the marines' departure, the Muslim factions withdrew their objections to Gemayel's presidency, and he, in turn, repudiated the May 1983 peace agreement with Israel on which Secretary of State George Shultz had labored so hard. On April 26, Gemayel appointed to the premiership Rashid Karami, a Sunni leader and close supporter of Syria who had kept aloof from the armed factions. Karami assembled a cabinet including the major factional leaders, such as Jumblatt as minister of public works and transport, and Berri as minister for South Lebanon, the increasingly restive Shi'ite region still under Israeli occupation.

All this was, at best, a tenuous beginning for Lebanese

reconciliation. The parliament that reconvened to endorse Karami's cabinet had been elected in 1972 under a 1943 formula that allotted seats to Christians and Muslims on a six to five ratio and envisaged a Maronite Christian president and a Sunni Muslim premier. That ratio, however, had long since been reversed, and Shi'ite Muslims now outnumber any other group—so that a revision of the formula is indispensable for any more permanent settlement. In the meantime, however, Lebanese political arrangements must reflect military strengths as well as historical formulas. The PLO, which for a decade had been one of the more redoubtable of the internal forces, had been eliminated by the Israeli siege of Beirut in the summer of 1982 and by the intra-PLO fighting and victory of the Syrian-backed minority at Tripoli at the end of 1983. With the voluntary departure of the Americans, a major question for Lebanon in 1984 was to what extent Israel must be reckoned into the power equation.

The answer was that Israel was eager to cut its losses. The replacements of Defense Minister Ariel Sharon and Prime Minister Menachem Begin (in February and August 1983) implied the disavowal of Sharon's plans of imposing, in alliance with militant Maronites, a new political structure on all of Lebanon. Meanwhile, the occupation had created a classic colonial-guerrilla situation in South Lebanon, with a network of Shi'ite terrorists, supported with arms and money from Syria and Iran, exploiting the latent discontent of the population so as to wear down the staying power of the occupiers. Indeed, two years of occupation in the south came to cost the Israeli forces some 300 lives—as many as the initial invasion of Lebanon itself. Prime Minister Shimon Peres left little doubt of his coalition's determination to withdraw, provided arrangements could be made for the continued security of northern Israel.

Negotiations between Israeli and Lebanese representatives began in November 1984 at the headquarters of the U.N. forces in Lebanon (UNIFIL). Israel's major demand was for security arrangements that would prevent a return of PLO units and any resumption of guerrilla incursions into northern Israel—specifically a role not only for UNIFIL but also for its own forces or the "South Lebanese army" (the Christian-Druze auxiliaries Israel had trained since 1978). The representatives of the Gemayel government at first seemed prepared to accept a role for UNIFIL, but soon claimed security as Lebanon's

sovereign prerogative, and, in the face of mounting terrorism in the south, proved increasingly recalcitrant.

The Israelis, in turn, began to wonder whether any withdrawal agreement with Lebanon would not prove as delusory as had the 1983 peace agreement, and whether the time had not come to make their own arrangements—perhaps combined, as in 1978, with a tacit understanding with Syria. Peres remarked wistfully: “It’s hard to negotiate with Syria but easy to have an agreement. With Lebanon, on the contrary, it is easy, even pleasant, to negotiate, but it is hard to have an agreement.” In January 1985, the Israeli cabinet finally agreed on a unilateral phased withdrawal from Lebanon.

With the PLO and the Americans gone, and the Israelis leaving, Syria, the last outsider on the Lebanese scene, could afford to play a slow waiting game. Caution was further indicated by the preoccupation in Damascus with an impending succession struggle—ever since President Hafez al-Assad’s hospitalization in November 1983 with a heart ailment. In late February, the president’s brother, General Rifaat al-Assad, massed troops under his command near the capital, only to find himself opposed by troops under two rival generals belonging, like the Assads, to Syria’s dominant Alawite Muslim minority. By late May, President Assad found an occasion to dispatch all three contenders abroad on diplomatic missions that amounted to temporary and honorable exile, and to restore his government to some kind of normalcy before Rifaat’s return in November.

Karami’s appointment as premier marked the reestablishment of Syria’s ascendancy in Lebanon; yet the seven years of civil war prior to Israel’s invasion had shown the precariousness of the shifting alliances among the armed factions through which Damascus chose to exercise its hegemony. On the wider Arab scene, the eclipse of Arafat’s PLO gave some plausibility to Syrian claims to leadership in Arab opposition to Israel—and hence to a veto over any future peace negotiations.

III

The war in the Persian-Arabian Gulf remained stalemated as it entered its fifth year. Early in 1984, Iraq repelled a massive attack in the southern sector near Basra by untrained Iranians, many of them teenage volunteers—in part by the use of poison gas and in part by inundating the marshes. A subsequent Iraqi counteroffensive was equally indecisive. There was a similar

standoff in the intense propaganda war. Baghdad had initially claimed that the Arab-speaking population of Khuzistan was eager for "liberation," or that military pressure would overthrow Iran's fragile revolution; and Teheran had made the counterclaim that Iraq's Shi'ite-Arab masses were ready to shake off the yoke of that "infidel" Sunni, Saddam Hussein.

In sober fact, just as the war itself favored the defense, so the war effort helped in the political consolidation of both regimes. Saddam long ago had ruthlessly eliminated overt opposition in Iraq (except for sporadic disaffection in the Kurdish north), yet had done more than any predecessor for the social integration of the Shi'ite majority. Similarly, in Iran, the Khomeini regime had succeeded in rallying clerics, army and bureaucracy to the common defense, and in eliminating or reducing such persistent rivals as the Tudeh Party and the radical Shi'ite Mujahedeen, or "Holy Warriors." (In January 1984, 87 Tudeh leaders were given life sentences, as trials of lesser party figures continued.)

In the quest for foreign support and weapons, Iraq soon gained the edge. Although the war had cut its oil exports by more than half, Iraq could draw on financial support from Saudi Arabia and other Arab countries. In 1983, France had furnished Iraq with a fleet of Super-Etendard fighter planes equipped with Exocet missiles; and the Soviet Union had resumed its military deliveries, including a large consignment of tanks. In December 1984, the United States, while emphasizing its continued neutrality in the war, resumed diplomatic relations with Iraq after a 17-year hiatus. Iran, by contrast, was increasingly reduced to relying on the world commercial market in second-hand arms.

Iraq's new arsenal prompted Baghdad to extend military operations to the Gulf itself, but the sea and air warfare turned out to be as inconclusive as the land operations. Thus Iraq was unable to enforce a blockade of Iran's oil export terminal at Kharg Island which it had announced in February 1984. Throughout the summer, Iraq damaged a number of tankers using the Iranian route, but Iran protected its oil purchasers by rebating its price to cover war insurance premiums and replacing lost cargoes. When Iran launched its own aerial attack on Saudi oil facilities, in June 1984, Saudi jet fighters immediately repelled the attack, with the help of AWACS (airborne warning and control system) planes from the U.S. Air Force.

Iran's willingness to bear heavy casualties and Iraq's supply

of foreign weapons seemed to guarantee continuing deadlock—nor were Iran under Khomeini and Iraq under Saddam ready to end the war by negotiation. Teheran had proclaimed its readiness for a cease-fire around population centers in February 1984, after massive Iraqi attacks on border towns in the central sector. In response, Iraq, through intermediaries, proposed a cessation of hostilities on the basis of the status quo ante. Iran countered that no negotiations were possible until the disappearance of the “treacherous” Saddam regime. This intransigence reflected not only resentment at Iraq’s unprovoked attack of 1980, but also intensely ideological and personal factors: the gross anomaly, in the eyes of Iranian Shi‘ites, of a Sunni regime in control of the holiest Shi‘ite shrines in Iraq, and Khomeini’s grudge against the Baghdad regime from his years of Iraqi exile.

It was the good luck of oil-importing countries that the continuing Iraq-Iran war only marginally affected the aggregate level of Middle East exports—and this at a time when the last price jump of 1979–81, decontrol of oil prices in the United States and a lingering world recession had sharply reduced global demand. Similarly, the repeated alarums of disruption of Gulf oil exports came at a time when spare capacity in many exporting countries had already forced a reduction of the standard price of the Organization of Petroleum Exporting Countries from \$34 to \$29 a barrel (in April 1983) and continued to put downward pressure on that price.

In 1984, oil production in the Gulf countries as a whole was virtually unchanged from 1983. For OPEC and the non-communist world it was slightly higher—due to increases mainly in the North Sea and Nigeria. By the autumn of 1984, Nigeria, whose oil was in direct competition with that from the North Sea and whose government was in a major payments crisis, refused to be bound by the OPEC quota it had agreed to in 1983. One unexpected complication was the agreement which the Saudis had concluded during the summer of 1984 (apparently over oil minister Sheikh Ahmed Zaki al-Yamani’s objection) to barter some 30 million barrels of crude oil against aircraft and engines for its air force—thus throwing the equivalent of about one week’s Saudi production on the volatile spot market. The net result was one of considerable downward pressure in that market in the fall of 1984.

In a series of intense meetings, OPEC ministers reaffirmed the \$29 price and reduced their production targets from the

earlier OPEC-wide production ceiling of 17.5 million barrels a day to 16 million. And, in contrast to Nigeria's determination to market a maximum amount of oil regardless of quotas, Mexico and Egypt, oil exporters outside OPEC, agreed not to increase their production during this temporary softening of prices. The widely appreciated lesson of 1983 was that price cuts, far from stimulating additional sales, would only cut further into income. By the end of 1984, it appeared that the seasonal tightening of prices during the winter might enable OPEC to weather yet another potential price crisis.

Similar minor crises were likely to follow in the years ahead, with downward price pressures perhaps to be aggravated when Iraq completes its new pipelines, or if Iraq and Iran ever settle their war. By the 1990s, however, declining production in the continental United States and perhaps in the North Sea, and increasing demand in response to global economic expansion seem likely to firm up prices, and perhaps create renewed upward pressures.

IV

The continued stalemate in the Gulf and the easing of the Lebanese crisis marked a change in the regional power configuration, which in turn prompted a realignment on the inter-Arab diplomatic scene that could prove as significant as those which accompanied Egyptian President Anwar al-Sadat's shift from Moscow to Washington in 1972 or his peace treaty with Israel in 1979.

Iraq had been closely aligned with Moscow in the 1960s and 1970s, vocal in its stand against Israel, an active claimant to Arab leadership, and a recurrent threat to its immediate Arab neighbors. That threat disappeared in 1980–81 with the stark failure of Saddam's aggression against Iran; instead there now loomed the far more ominous danger of a victory by Iranian revolutionary forces. The logical response of threatened Gulf monarchies was to extend financial, commercial and military aid to prevent an Iraqi defeat—and for Iraq gratefully to accept such conservative Arab support.

The outcome in Lebanon had eliminated the PLO as a military force, diminished any threat from Israel to its Arab neighbors, and left Syria as the potentially hegemonic power over Lebanon. Syria, in effect, replaced Israel as the most immediate threat to the region's fragile balance. Thus, Arab moderates such as Egypt and Jordan were drawn together into exploring

ways of moving toward an Arab-Israeli settlement. The closer they moved, the more starkly Syria and Libya—with their overt sympathies for Iran and their close relations with Moscow—stood out as the exceptions.

Since his accession in 1981, President Hosni Mubarak of Egypt had maintained Sadat's policy of close relations with the United States while adopting a somewhat cooler attitude toward Israel. Thus Cairo tenaciously pursued a minor territorial dispute that the peace treaty with Israel had left unresolved, and, following Israel's 1982 invasion of Lebanon, withdrew its ambassador. At home, Mubarak moved against the more corrupt members of Sadat's family and entourage, and toward a reconciliation with moderate opposition forces. Mubarak is not given to Sadat's rambling oratory or the gratuitously insulting remarks that had so antagonized the Saudis and other Arab leaders. The Gulf war gave Egypt the opportunity to join in support of the beleaguered regime in Baghdad, and thus to break out of the isolation imposed on it by the Arab League in 1979.

In 1984, Mubarak began to reap the rewards of his new course. He received a visitor from the royal house of Saud in January, the first such Saudi visit in seven years. Later that month, the Islamic Conference Organization invited Egypt to rejoin, and Cairo did so while reiterating its respect for prior diplomatic commitments—that is, the treaty with Israel. Diplomatic relations with the Soviet Union were resumed in April, and with Jordan in September; Mubarak and King Hussein exchanged visits of state before year's end. At home, Egyptian assembly elections in May allowed more scope for moderate opposition groups like the New Wafd Party, giving Mubarak a much broader popular mandate than his predecessors.

Toward the United States, Mubarak continued Sadat's policy of expanding air and naval facilities for possible U.S. use, and made it clear that he would not hesitate to call for limited U.S. military help. Specifically, following the Libyan air raid on the Sudanese city of Omdurman in mid-March, Egypt requested and received the temporary dispatch of American AWACS planes to discourage further attacks. And in the summer Egypt joined with Saudi Arabia in calling for the assistance of U.S. and other Western naval units in a prolonged, though in the end fruitless, search for mines (presumably also laid by Libya) in the Red Sea.

Egypt under Sadat had abandoned Nasser's pan-Arab ambi-

tions, restored pride by launching the 1973 war, traded peace for territory with Israel and replaced Cairo's Soviet alliance with one with Washington. While maintaining all those gains of the Sadat period, Mubarak was well on the way to repairing the damage to Egypt's relations with other Arab countries—thus confirming Egypt's new course of pro-Western and broad-ranging multilateral relations.

v

As quietly, and perhaps more ambitiously, King Hussein launched a more active diplomacy in 1984 than Jordan had pursued in decades. For Amman as for Cairo, the protracted Gulf war served to repair relations with Baghdad: indeed, with Iraq cut off from access to the Gulf, the obvious alternative route for trade and military supplies became that via Egypt's Suez Canal, Jordan's port of Aqaba, and into Iraq by truck. Plans were devised to build a pipeline from Iraq to Aqaba (and possibly another to link up with the Saudi east-west pipeline) to supplement Iraq's only other operational pipeline through eastern Turkey.

Jordan had been envisaged as central to Arab-Israeli diplomacy by President Reagan's September 1982 proposal for self-government by the Palestinians of the West Bank and Gaza in association with Jordan. The Begin government, to be sure, had rejected the Reagan initiative out of hand, and the Arab League's "Fahd Plan" had insisted, somewhat ritually, on a return to the pre-1967 borders and an independent Palestinian state. But the Israeli invasion of Lebanon postponed any serious peace efforts, and on the West Bank itself fear was growing that time was running out for any negotiated settlement.

King Hussein made use of the Lebanese interlude to test the ground on the Arab side. His first efforts to formulate a joint position with the PLO in 1983 were frustrated by Yasir Arafat's unwillingness to face down the dissidents in the organization. By the end of 1983, however, Arafat's break with the radicals had become final, and the PLO had lost its last independent military base. Arafat's response was to emphasize diplomacy; even during the 1982 siege of Beirut, the PLO had indicated its readiness to proceed to "recognition" of Israel on a "reciprocal" basis; and, during Arafat's visit to Cairo in December 1983, Egypt urged him to form a Palestinian government-in-exile.

It was at this juncture, on January 9, 1984, that King Hussein

decided to reconvene, after a ten-year lapse, Jordan's parliament, to hold special elections to fill vacancies that had occurred among both East and West Bank representatives, and to enlarge the activities of the Ministry for Occupied Territories. The inclusion of West Bank delegates disregarded the Arab League's 1974 decision designating the PLO as the Palestinians' "sole legitimate representative." Earlier, in addressing the European Parliament in December 1983, the king had stressed that the incorporation of the West Bank into his grandfather's kingdom in 1950 had been not an annexation but a step "based on self-determination and the expression of free will." In the newly convened parliament, the king once again called on the PLO to join him in developing a "practical framework" for peace negotiations. A later contretemps in U.S.-Jordanian relations, which prompted Hussein publicly to doubt Washington's "credibility," may have been a welcome means of enhancing his own credibility in the eyes of Arab critics.¹

Hussein's immediate aim was to strengthen Jordan's connections with the residents of the occupied West Bank, and to have the voice of those same residents fully heard within the PLO. This, in turn, would lay the basis for a common front under his own leadership which might push the central Palestinian aspect of the Arab-Israeli dispute to a diplomatic resolution. And the long-term solution envisaged would seem to be a variation of Reagan's proposal for Palestinian self-determination in association with Jordan—specifically, a federation under the Hashemite dynasty.

In November 1984, Arafat accepted Hussein's invitation to convene the Palestine National Council, the PLO's closest equivalent to a parliament-in-exile, in Amman. In their addresses, each leader emphasized his own divergent views for the record—Hussein invoking U.N. Resolution 242, with its demand for the return of territories occupied in 1967, and Arafat emphasizing the PLO's claim to be the sole legitimate spokesman

¹ In the winter of 1983–84, pro-Israeli circles in Washington revealed the Pentagon's secret preparations for using American planes and Jordanian troops as a "Rapid Deployment Force" for emergencies in the Gulf region. Hussein countered this unwanted publicity by declaring that no Jordanian forces would be available to implement American plans. Later, President Reagan addressed the United Jewish Appeal with a plea for support of the proposed sale of Stinger missiles to Jordan—and Hussein responded with an interview attacking the United States. Neither side, it would seem, appreciated the other's political constraints: Reagan seemed to have gone out of his way with a boldly pro-Jordanian gesture, yet Amman felt humiliated by the appearance that Arab-American relations were subject to prior approval by American Jewish organizations.

for the Palestinians. Yet the mere fact that the meeting was held in Amman signalled Arafat's willingness to align himself with Jordan for the diplomatic campaign ahead.

In the "Black September" of 1970, the PLO had been expelled from Jordan by force. Now it was peacefully reconvening in Jordan's capital, with security assured by the king's men. The PNC reelected Arafat to the PLO leadership and elected two former West Bank mayors to its executive committee, effecting just the kind of PLO-West Bank rapprochement for which the king was hoping. (One of the two former mayors, Fahad Kawasmeh of Hebron, was assassinated in Amman a month later, presumably by pro-Syrian PLO dissidents, indicating the extent to which the PLO's terrorism now had turned inward.)

The PNC's proceedings, through the medium of Jordanian television, attracted a record viewership in the occupied West Bank a few miles across the Jordan Valley (and, for that matter, in Israel)—displaying the PLO in a parliamentary rather than a guerrilla capacity. Despite the subsequent assassination, the meeting, in sum, marked a crucial step in advancing Hussein's diplomatic strategy.

There was no indication by year's end of how soon Jordan and the PLO would be able to reconcile their remaining differences in formulating a negotiating position—or whether Israel's precarious coalition would be amenable to any sort of negotiations. Meanwhile, Hussein and Arafat (as well as Mubarak) shared a common interest in overcoming the ingrained practice of making all decisions at Arab meetings by unanimous "consensus," thus conferring veto power on dissidents such as Syria, Libya, South Yemen or the Syrian-backed minority in the PLO. Arafat's decision to convene the PNC in Amman on the basis of a mere quorum, rather than full attendance, was a precedent for acting by majority rather than unanimity. And if the same practice should be transferred to meetings of the Arab League, it seemed likely that Egypt would be readmitted as a member in good standing, and that previous resolutions on the Palestinian question might be modified by majority endorsement of any negotiating position jointly worked out by Jordan and the Palestinians in the PLO or the West Bank and Gaza.

VI

Curiously enough, the Soviet Union made its own contribution to the new inter-Arab climate of reconciliation. After the

abject defeat of Syria's Soviet-built air force in combat with Israel over Lebanon in 1982, Moscow strove to restore its military prestige by reequipping Syria with more up-to-date aircraft and the latest air defenses complete with Soviet crews. The newly concluded friendship treaty with Syria served as explicit warning to Israel not to proceed to any aerial attack over Syrian, as distinct from Lebanese, territory. Yet the strengthening of Syria's defenses did not make the Assad regime any more subservient to Moscow. Specifically, the battle around Tripoli late in 1983, in which Syria used Soviet weapons to defeat Soviet-equipped PLO forces, caused intense discomfort in Moscow.

Moscow also saw Libya's President Muammar al-Qaddafi as an unreliable ally. The air raid on Omdurman and the mining of the Red Sea (also widely attributed to Libya) had the undesired effect of bringing U.S. air and naval units, by Arab request, onto the scene.

Other recent events had contributed to Moscow's acute sense of isolation. The Arabs were loud in condemnation of Soviet actions in Afghanistan (among the most outspoken was Iraq, previously considered one of Moscow's closest allies). Iran was systematically prosecuting local communists, and military victory over opposing guerrilla forces in Afghanistan remained elusive.

Moscow responded to these setbacks by mounting a quiet but concerted diplomatic campaign. Diplomatic relations with Egypt were restored, and there were offers of military assistance to Kuwait and Jordan. In March 1984, the Soviets announced their intention of rebuilding the Iraqi nuclear reactor that Israel had destroyed in 1980. And South Yemen—long the Middle East country most closely under Soviet control—took the initiative in October 1983 of restoring diplomatic relations with the neighboring, pro-Western Sultanate of Oman after a decade and a half of intermittent warfare, and then in reconvening a Yemen Council that linked it to Northern Yemen. So, even Moscow's diplomacy recognized and confirmed the central importance of Arab moderates in the Middle Eastern realignment of 1984.

VII

Israel and Turkey, America's closest allies in the Middle East, were preoccupied in 1984 with new phases in their respective democratic and economic development.

Israel attempted to disengage from the longest, costliest and

most controversial war in its history; its home front succumbed to deepening economic crisis. Inflation was running at about 800 percent late in 1984 and unemployment at a rate (unprecedented for Israel) of seven percent, and the balance of payments registered annual deficits of over \$2 billion since 1982.

Meanwhile, general elections on July 23, 1984, and subsequent prolonged negotiations, brought to office a broad coalition, with Labor Party leader Shimon Peres as premier and Likud leader Yitzhak Shamir as foreign minister (by an ingenious formula the two agreed to reverse roles two years hence—if the coalition remained in power that long). In the 1984 campaign, Labor had rallied to Peres' leadership, whereas the struggle between Shamir, Ariel Sharon and David Levy weakened Likud. Labor eked out a lead of 34.9 percent of the vote to 31.4 percent for Likud, translating into 44 seats in the Knesset (parliament) for Labor, 41 for Likud. The results reflected the decline of traditional party loyalties, and the divisive effects of Israel's electoral system of proportional representation. Of 120 Knesset seats, 35 went to 13 splinter groups, religious and secular, hawkish and dovish.

The formation of the Peres-Shamir coalition was a remarkable way out of this impasse. It turned out that both party leaders preferred to deal with their respective intraparty rivals from the vantage point of government office rather than in opposition. Both Labor and Likud, moreover, agreed that the new government would explore some measures of electoral reform that could strengthen the larger parties and encourage the smaller ones to merge.

In the "National Unity Government" Labor and Likud held 12 ministries each (a total of five being suballocated to smaller parties), and the centrist National Religious Party the 25th. Labor was deserted by its own left wing (with six seats) and an individual member; and, at the end of the year, one of the right-wing religious parties threatened to desert the coalition in a dispute over political patronage.

Nevertheless, the government kept to its word in opening disengagement talks with Lebanon and taking some modest, preliminary measures to fight inflation—with more sweeping measures unlikely until Labor and Likud had confronted one another early in 1985 in the general elections of Histadrut, Israel's all-encompassing federation of labor.

The Labor-Likud agreement reaffirmed Israel's commitment to the Camp David formula for autonomy for West Bank

and Gaza residents, left decisions on new Jewish West Bank settlements to the cabinet majority, and promised that "Israel will call on Jordan to enter into peace negotiations." And soon after his accession, Peres duly proposed a meeting where Jordan and Israel could put forth their views without prior restriction; yet King Hussein made it clear that no such meeting could take place without some preliminary agreement. And, in view of the profound differences between Likud and Labor (and, on the Arab side, among Jordan, the PLO, Syria and others), it would be unrealistic to expect serious Israeli-Jordanian negotiations in the near future.

Whether the Peres-Shamir coalition can live out its four-year term will depend on its success in carrying out such immediate tasks as withdrawal from Lebanon and sweeping and painful measures of economic reform. Among the pressures ahead were the need to define U.S. aid levels for 1985 and 1986, and negotiations on establishing a U.S.-Israeli free trade zone as authorized by Congress during Peres' visit in October 1984. With Washington facing its own bitter debate about runaway budget deficits, there was little question that Israel would have to take painful austerity measures before expecting any rescue operation from the United States.

Israel embarked in 1984 on a novel political experiment to cope with its economic problems. By contrast, 1984 saw Turkey in an unprecedented economic upswing as it began to sort out some of its remaining political problems.

VIII

Turkey's general election of November 6, 1983, gave a strong popular vote (45.2 percent) and solid parliamentary majority (211 out of 399) to Turgut Özal's newly founded Motherland Party—and no one symbolized as clearly the profound changes in Turkey as did Prime Minister Özal. Privately a devout Muslim, he appeared in the 1983 campaign as an effective organizer and remarkable television campaigner. By profession he is an engineer, American-trained, who had planned a major hydroelectric dam and risen to become deputy prime minister in charge of Turkey's plans for recovery from the severe payments crisis of 1978–80. In 1982, entrenched economic interests forced Özal's removal, yet the 1983 election dramatically reconfirmed the country's commitment to his free enterprise policies.

Özal's election victory also served to hasten Turkey's return

from military rule to democracy. After their bloodless coup of September 1980, General Kenan Evren and his colleagues had concentrated on saving the country from the organized terrorism of left and right, which earlier had claimed as many as 30 lives a day. Next, they oversaw the framing of a constitution that would strengthen president and cabinet, revise the electoral system and overcome the political paralysis of the 1970s. A national vote in 1982 endorsed the new constitution, elected Evren to the presidency, and thus registered the population's overwhelming approval of the military's performance since 1980.

Nonetheless, Evren's leadership came under increasing criticism—muted in Turkey and more vocal abroad in such bodies as the European Parliament. For, aside from strengthening constitutional and electoral procedures, the military rulers took it upon themselves to ban all previous parties and their top leaders from political participation; to continue the state of emergency (including military censorship of the press) in key provinces; and to encourage the formation of two new parties with close links to their own regime. It was these newly contrived parties which Özal's last-minute entry into politics had roundly beaten—the voters registering their support not only for Özal's innovative economic policies but also for the one party truly independent of the military. And Özal's victory was reconfirmed by nationwide local elections in February 1984, in which bona fide successors of the traditional parties were again allowed to compete.

Özal's economic program has been hailed in international financial circles as a model of export-led growth. Inflation, which had exceeded 100 percent in 1980, was cut to around 25 percent; the flow of remittances from Turkish workers in Europe reached an all-time high; and the country was opened wide to foreign investment. Meanwhile, Turkish firms discovered a lucrative market for construction contracts in countries such as Libya and Saudi Arabia; and, through scrupulous neutrality in the Gulf war, Turkey managed to become the leading trade partner of Iraq and Iran alike.

American-Turkish relations, long strained through the Cyprus crisis of 1974 and the subsequent embargo (1975–79) on direct U.S. military aid, improved as a result of Turkey's continued close military cooperation within NATO and the conclusion of the new U.S.-Turkish Defense and Economic Cooperation Agreement of 1980. Modernization of obsolete

military equipment received high priority. In eastern Turkey, military airfields are being expanded against a potential Soviet military threat from the Caucasus southward into Iran or toward the Gulf.²

In sum, in its economic and cultural orientation, Turkey is living up to its full potential as a bridge between Europe and the Middle East. In foreign policy, Turkey continues its role as a staunch ally on NATO's right flank and a wedge between the Soviet Union and the Arab world, a role infinitely more important to regional security since the fall of the Shah of Iran in 1979. For it is only behind this solid Turkish shield that governments in Damascus, Baghdad or Cairo can lean toward the Soviets one year and toward the West another without incurring the fate of governments in Prague, Budapest, Warsaw or Kabul.

IX

The events of 1984 vividly illustrate the more durable forces on the Middle Eastern political scene: the vast potential for conflict—not just between Arabs and Israelis but throughout the region—and also the stability of frontiers and longevity of regimes, the limited uses of warfare, and the peculiar Middle Eastern logic of alignment and realignment.

While domestic conflict has abated in most countries, the heavy influx of sophisticated weapons from outside the region adds to the lethal potential for external conflict. Almost every Middle Eastern country, with the striking exception of Turkey, is at odds with its neighbors, and therefore eager to be in league with its neighbors once removed. Yet, since the geographic map does not line up in a neat checkerboard pattern, there is much restlessness and ambiguity, and an occasional dramatic switch of sides.

Jordan's King Hussein and Yasir Arafat of the PLO have proceeded from deadly enmity to wary partnership. Iraq, once the leading "radical" and later the leader of the Muslim world's condemnation of Soviet actions in Afghanistan, now finds its side in the Gulf war supported, to varying degrees, by Saudis, Jordanians, Soviets and Americans. Syria and Libya are the

² A new crisis over Cyprus threatened late in 1983, when the Turkish community of the north, after a decade of sporadic and fruitless negotiation, proclaimed an Independent Turkish Republic of Northern Cyprus. The American congressional response this time was comparatively muted, and intense negotiations under U.N. auspices, which continued through much of 1984, resulted in a carefully drafted plan for a bi-communal, bi-zonal federal republic, and a first meeting of the two heads of government early in 1985.

major recipients of Soviet arms in the Middle East—and the most vocal supporters of the Khomeini revolution, which by 1984 was completing its crackdown on Iranian communists. Earlier, Israel and Syria inflicted, one after the other, their deadly blows on Arafat's PLO—for which the United States was instrumental in arranging safe passage. In the PLO's final battle in 1983, both sides used weapons that the Soviets had lavished upon them.

Just as the war effort has helped consolidate the regimes in both Iran and Iraq, so the continuing search for allies on the Middle Eastern checkerboard has a somewhat stabilizing effect throughout the region. Middle Eastern governments are militarily weak and must assure their independence, above all, through diplomatic maneuver; and the resulting rivalries tempt outside powers to join in the play of intrigue with weapons sales, military or economic aid, or diplomatic support. When tensions erupt into war, both regional and outside powers tend to rally to the weaker side while the conflict continues, and against the winner once it is decided.

Middle Easterners, from their intense and recent experience with Western imperialism, are generally suspicious of outside powers—but do rely on them for arms. And in their diplomacy they tend to use the faraway foreigner as a counterweight to the foreigner nearby. This is the obvious reason that the Soviet Union has won more friends in the center and at the southern periphery of the region (Syria, Libya, South Yemen, Ethiopia) than on its own borders—and why the United States, two oceans away and manifestly without designs of conquest, has been so vastly more popular.

In sum, while many Middle Eastern countries individually nurse expansionist or hegemonic ambitions, all of them collectively, by their preference for the weaker side and their readiness to shift alignments regardless of ideology, offer strong support for the status quo. In these and other ways, and behind Turkey's protective shield, the pattern of hostility, interaction and maneuver thus has its self-balancing features. And the more complete the pattern of contacts, the more complex the interaction, the less it is likely to explode into regional or global confrontation.

The Lebanese and Gulf wars have brought some of the region's contestants to the sobering realization that military action does not always pay. Menachem Begin had praised the Lebanese campaign as a "war of choice," the kind of war that

Israel by preference ought to fight. Yet Sharon had kept the full scope of the war plans from his cabinet colleagues—suggesting his fear that most Israelis would not have made such a choice. In retrospect, the destruction of the PLO's military base in Lebanon seems a clear gain for Israel—yet the Lebanese war came to cost many more Israeli lives than had terrorist inroads into the Galilee. And the sequel in Lebanon clearly demonstrates that expansion into populated neighboring countries reduces rather than enhances Israel's security.

Among Arab leaders, Saddam Hussein of Iraq has long since had occasion to rue his wanton attack on Iran. The PLO, evicted from Lebanon, has run out of Arab frontiers from which to stage terrorist attacks into Israel or its occupied territories. Whatever Syria's ultimate gains in Lebanon, they clearly resulted from the failure, first of Israel and then of the United States, to harmonize political ends with military means. Nor can those Syrian gains be construed as American losses—except by the fanciful notions (recently popular in Washington) that Syria is Moscow's obedient “surrogate,” that it will not encounter the same difficulties in Lebanon as in the mid-1970s, and that a brief and determined American effort could once and for all have transformed Lebanon or banished Syria's presence.

X

For a more balanced perspective, it is best to compare the Middle Eastern scene early in 1985 with that of the 1970s. At the beginning of that decade, the prevailing Arab attitudes were “rejectionism” (that is, refusal to recognize or deal with Israel), hostility toward the United States and close relations with Moscow—with Egypt, Syria and Iraq vying for leadership of this broad trend. In Libya, Colonel Qaddafi was sharpening OPEC's confrontation with Western oil interests. The Arab-Israeli conflict had defied all U.N. and American efforts at resolution, and by 1974 the Arab League had recognized the PLO as the “sole legitimate spokesman” for the Palestinians. In Egypt, Nasser in 1970 had invited Soviet antiaircraft batteries with Russian crews to join in his “war of attrition” against Israel. Only Saudi Arabia and some of the smaller Arab monarchies remained as presumed friends of the West—and the oil embargo of 1973 threw much doubt on that presumption.

By the late 1970s, Sadat's break with Moscow and peace with Israel had thoroughly transformed that Middle Eastern con-

stellation; yet the immediate sequel was Egypt's ostracism by most other Arab countries. And whereas the Iranian revolution and the Soviet occupation of Afghanistan made the Arab Gulf monarchies feel the acute need for U.S. protection, the fall of the Shah itself and Washington's bungling of the ensuing hostage crisis put into question the efficacy of such protection.

In 1984, by contrast, pro-Western forces were in the ascendant. Egypt, Jordan and Saudi Arabia were engaged to varying degrees in military cooperation with the United States, and Washington had resumed full diplomatic relations with all Arab governments except Libya and South Yemen. Meanwhile, the Iranian revolution had demonstrated its evenhanded antagonism toward both Americans and Soviets. And Moscow itself was busily mending its Middle Eastern fences by courting the moderate Arabs.

Washington's own actions during 1984 acknowledged and reinforced some of these self-adjusting, balancing features of the Middle Eastern scene. With its hands no longer tied and its prestige no longer encumbered in Lebanon, the Reagan Administration was free to respond swiftly when friendly countries asked for help against external attack. President Reagan's recent actions thus have served as an effective implementation of the Middle East security policies first outlined by President Jimmy Carter. For it was the Egyptian-Israeli peace treaty of 1979, over which Carter labored so hard, that initiated our military cooperation with Egypt, and the Carter Doctrine of January 1980 that proclaimed the Persian Gulf a region of U.S. vital interest to be defended, if necessary, by force.

The Soviet invasion of Afghanistan lent urgency to Carter's pronouncement; yet concrete military preparations lagged—as was made embarrassingly obvious by the failure of the hostage rescue mission only three months later—and a U.S. Central Command was not organized until late 1982. Meanwhile, however, further preparations for a Rapid Deployment Force proceeded in Egypt, Saudi Arabia, Oman and elsewhere; the Iraq-Iran war posed a far more immediate threat to the Gulf's oil than did the Soviets in Afghanistan; and the Arab oil countries responded by rallying in the Gulf Cooperation Council, which by late 1984 proceeded to develop more concrete military plans.

Thus when the Reagan Administration, in the summer of 1984, dispatched AWACS planes to counter Libya's threat to Egypt and Iran's attack on Saudi oil installations, it provided a

constructive and demonstrative implementation of the Carter Doctrine's assertion of U.S. vital interest in the Middle East. And the quiet efficacy of those operations is sure to encourage those same and other Middle Easterners to rely on us again in future moments of need.

Washington in 1984 also wisely refrained from hectoring the parties to the Arab-Israeli dispute—yet President Reagan's call for a solution to the Palestinian problem through some form of Jordanian association remained on the agendas of Jordan, the PLO and even Israel. And if and when the parties directly concerned should be ready to proceed to actual negotiations, there is little doubt that the United States will once again be needed in a mediating and encouraging role—and perhaps to counter rival diplomatic initiatives from Moscow.

David Martin
and Phyllis Johnson

AFRICA: THE OLD AND THE UNEXPECTED

There is always something new out of Africa," said the ancient Greeks, as recorded by Pliny the Elder. The contemporary Africa-watcher, however, might be forgiven for wondering whether it is not all more of the same. In 1984, as in 1983, events in southern Africa and the devastating drought and famine which cost the lives of countless tens of thousands again dominated the year. For Nigerians, the new year began with yet another military government, which had ousted the elected civilian administration on the last day of 1983. In Chad, civil war ground on with no solution in sight. Libya's unpredictable leader, Colonel Muammar al-Qaddafi, continued to make headlines with stories ranging from the killing of a British policewoman in London to his dabbling in the affairs of Chad and other countries. At the United Nations, the controversy over Namibia continued to set records as the longest running debate in that organization's history. And U.S. suggestions that its policy of "constructive engagement" with South Africa was succeeding continued to be greeted with skepticism in many quarters.

Looking more carefully, several new and quite unexpected things came out of Africa in 1984. Amid much pomp and ceremony, Mozambique's president, Samora Machel, and the South African prime minister, P.W. Botha, signed an "Agreement on Non-Aggression and Good Neighborliness" on March 16. Machel hailed the agreement, popularly known as the Accord of Nkomati, as a victory for peace. He moderated his terminology later in the year, and Tanzanian President Julius K. Nyerere, chairman of the Front Line states, said in November—after also becoming chairman of the Organization of African Unity—that the agreement was a "defeat" and a "humiliation" for Africa. Swaziland then revealed that two years earlier it had secretly signed a nonaggression pact with

David Martin and Phyllis Johnson, former correspondents for *The Observer* (London) and the Canadian Broadcasting Corporation, respectively, have lived in Africa for several years. Their book, *The Struggle for Zimbabwe: The Chimurenga War*, was published in 1980. They are now directors of Zimbabwe Publishing House, which they established in 1981.

South Africa which went further than the pact with Mozambique. Angola and South Africa had also signed an agreement, one month before the Nkomati accord, which led to a phased but uncompleted withdrawal of South African troops from Angola. And the Organization of African Unity finally broke the deadlock over the Western Sahara. This came at the price of Morocco's withdrawal from the organization and a walk-out by Zaïre, but the predicted collapse of the organization did not occur.

Economic development was the most important long-term concern for the continent in 1984, and for the West in its relations with Africa, but drought and uneasiness over security continued to hamper this development. "Africa is now the weakest component of our interdependent global economy," Secretary of State George Shultz said in February 1984. "Declining African markets and growing regional insolvency are a significant drag on global recovery, with a particular impact on Europe. In short, the West cannot afford—and we will not sit idly by and watch—the accelerating decline of Africa's economy." To encourage African governments to pursue policies compatible with the American view of economic recovery, the Administration went to Congress for a five-year, \$500-million aid program, beginning with \$75 million for fiscal year 1985. Fruits of this economic policy initiative for Africa are to be allocated to countries that have undertaken certain policy reforms—that is, after they have implemented them.

By contrast, the limits on Soviet influence in Africa remained evident, although the Soviet Union continued to be more forthcoming in its economic dealings than it had been a decade ago. As a result of their colonial experience, African countries inherited neocolonial structures that rely heavily on trade with the West. But trade with the Soviet Union has jumped sharply, especially in northern Africa due to oil exports, and in some other countries due to growing imports of Soviet commodities. Soviet aid remains generally limited to essential defenses, diplomatic support and technicians. Foreign Minister Andrei A. Gromyko spoke of a "broad political spectrum" of international ties, and among the states receiving more economic credits in the last few years was Morocco.

Most African countries have a strong desire to be genuinely nonaligned, and, with the possible exception of Ethiopia, no sub-Saharan country could be described as a Soviet satellite or even an unconditional ally. However, countries combating the

South African military threat, particularly Angola, have nowhere else to turn for assistance. The new Soviet leader, Konstantin U. Chernenko, said that solidarity with young liberated nations has been and will continue to be a cornerstone of Soviet foreign policy.

The American policy of "not sitting idly by" was particularly pronounced in southern Africa; the State Department's Africa desk, led by the assistant secretary of state for African affairs, Chester Crocker, was engaged in "defining an agenda" or "identifying a regional strategy." At the beginning of the year, Secretary Shultz said the strategy was to build an overall framework for regional security, bring about an independent Namibia and encourage positive change in the apartheid policies of South Africa itself. After a series of complex maneuvers, U.S. negotiators made it clear that they, at least, believed they were closer than ever before to achieving a package involving the final withdrawal of South African troops from Angola, implementation of U.N. Resolution 435 leading to Namibia's independence, and the phased withdrawal of Cuban troops from Angola.

Something new was coming out of Africa. But each new development brought new questions, some of which will take months, if not years, to answer.

II

Under the Accord of Nkomati, Mozambique and South Africa undertook to respect each other's sovereignty and territorial integrity, refrain from interfering in each other's internal affairs, recognize the right of self-determination and independence as well as the principle of "equal rights of all peoples," refrain from the threat of force against each other, prevent their respective territories from being used for acts of aggression against each other, and promote good neighborliness. Each side agreed to eliminate from its territory all bases, radio stations and other facilities that were being used by forces hostile to the other, and the two nations agreed to set up a joint security commission to supervise and monitor the agreement.

Many friends of the Mozambique regime were stunned by the agreement, and the African National Congress, which had been using Mozambique as a rear base in its guerrilla war against the apartheid system, reacted angrily. A statement from the ANC national executive committee accused Pretoria of using

“so-called nonaggression pacts” to reduce independent states in the region to the status of South Africa’s own “Bantustans,” or black homeland areas. They called for an intensification of the offensive against South Africa.

At the time of the Nkomati agreement, Mozambique had been at war for almost 20 years. Its liberation war against Portuguese colonial rule had gone on for a decade until the peace agreement of 1974 leading to independence. But by then Rhodesian troops were already operating inside Mozambique in an attempt to block the infiltration of Zimbabwean guerrillas. The Rhodesian war had a devastating impact on the newly independent nation’s fragile and vulnerable economy and infrastructure.¹ Then in the 1980s, the Mozambique National Resistance movement (MNR), massively backed by South Africa, began escalating its efforts, and war-weary Mozambique was plunged into its third consecutive conflict.

After the Nkomati agreement, Machel observed that the struggle against the MNR had left his country with “severe wounds.” No one knew the number of people murdered, maimed or mutilated by the “bandits,” as they are described in Mozambique. By the end of 1983, MNR fighters were operating in all of Mozambique’s ten provinces and numbered about 15,000. Psychologically most important in understanding Mozambique’s decision to sign the agreement was the fact that, as a result of MNR attacks against supply routes, thousands of people had died or were dying from starvation.²

In the Portuguese colonial era, Mozambique had been developed as a transit country for the African hinterland and South Africa. Sanctions against Rhodesia cost dearly and South Africa applied economic pressure by reducing the flow of its goods through the port of Maputo, limiting the influx of Mozambique labor to its mines and terminating the preferential agreement on gold prices. Bare shops and shelves, unending queues for the little that was available, rationing, arrested development, a total absence of foreign investment and, finally, the need to reschedule the national debt were all symptomatic of the horrendous price Mozambique was paying.

On their side, the South Africans had become deeply in-

¹ The United Nations estimated direct damage to the infrastructure in this phase at \$150 million, with a further \$47 million worth of damage to the economic and social infrastructure. Added to that, some 40,000 railway and port workers lost their jobs after Mozambique closed its border with Rhodesia in compliance with U.N. sanctions.

² There are no firm estimates of how many died from starvation in 1983 but some Mozambicans put the figure as high as 100,000.

volved in supporting the MNR, which they inherited from Rhodesia in March 1980 after Robert Mugabe's victory in the pre-independence elections. In a three-day airlift following that vote, the South African Defense Forces (SADF) evacuated MNR personnel from Rhodesia, moving them straight into military barracks in Pretoria.

This adopted force was soon unleashed against Mozambique. By early 1981 white farmers in southeastern Zimbabwe were describing an "armada" of helicopters passing overhead at night from South Africa heading into Mozambique. It was estimated that one airlift carried up to 1,000 men and their equipment. By sea and air, trained MNR personnel and their equipment were brought into Mozambique, a sophisticated radio network was set up, SADF instructors were based inside Mozambique at MNR camps consisting of up to 800 huts, and the MNR's clandestine Voice of Free Africa radio station broadcast its message from studios of the South African Broadcasting Corporation near Johannesburg. All the indications were that Pretoria was determined to overthrow the Marxist government on its borders and that it was not too far from success. Why, then, did Pretoria sign the Accord of Nkomati?

Although South Africa is militarily and economically the region's superpower, the fact is that it was confronted by mounting difficulties in 1983 and early 1984. The Mozambique resistance had not developed a viable leadership or set of alternative policies. South Africa had also suffered a military reverse in southern Angola in late 1983 when its large-scale invasion, Operation Askari, ran headlong into Angolan tanks and sophisticated Soviet weaponry, blunting the offensive and curtailing South Africa's future ability to intervene.

Most important, the South African economy was under pressure. Gold prices, which in early 1980 peaked at \$850 an ounce, fell to \$340 an ounce in New York by mid-1984. Gold exports accounted for 49 percent of South Africa's export revenue in 1983; for every dollar the price drops, South Africa loses almost \$20 million. Nor was South Africa spared the drought which affected much of the continent. In 1981 South Africa's maize crop was 14 million tons, leaving an export surplus after domestic consumption of around seven million tons. The predicted 1984 crop was put as low as 3.5 million tons, leaving an import requirement likely to cost at least \$500 million.

The strain of the gold slump and the drought had to be

borne by the currency; the rand plummeted from a value of 85 cents in March to just under 50 cents at year's end. Three years ago the rand was worth \$1.30. In addition, and in contrast to most of South Africa's main trading partners, inflation in 1984 remained up around 12 percent. Finally, defense spending accounted for 21.5 percent of the total budget in 1984. The war in Namibia/Angola and topping up the budget of Namibia cost over \$1 billion. No figures are available for South Africa's support for destabilization actions in Lesotho, Mozambique and Zimbabwe, for it has never publicly admitted such a role, but the bill is obviously considerable. Clearly, by early 1984, the costs of confrontation, when viewed against the backdrop of the weakened economy, presented a telling argument for a regional policy of diplomacy.

The decision to pursue a shift in policy occurred in the last quarter of 1983, according to State Department officials closely involved in the "constructive engagement" process. These officials say the U.S. role consisted of assisting communication and building confidence. The first round in the decisive series of public talks occurred in Swaziland in December 1983 when Mozambique verbally spelled out the principles upon which any agreement must be based. In February, South African Foreign Minister Roelof F. "Pik" Botha, accompanied by the minister of defense, General Magnus Malan, traveled to Maputo where they saw President Machel.

The South African negotiators carried with them their draft of the proposed agreement demanding the total removal of the ANC from Mozambique. This draft was very different from the one they finally signed. "It went so far that it would have meant we could not even have Miriam Makeba in Mozambique to give a concert," one senior Mozambique official said. The essence of the Nkomati accord was that Mozambique undertook to prevent the ANC from using and traversing its territory for attacks on South Africa, and South Africa undertook to end its covert support for the MNR. It is noteworthy that South Africa, which has always denied involvement with the MNR, tacitly admitted such involvement by signing the Nkomati agreement. The weakness of the agreement was that while Mozambique could fairly easily, if acrimoniously, check the ANC, there was no mechanism to halt MNR activities *inside* Mozambique. Indeed, there is substantial evidence that South Africa pumped at least 1,000 MNR personnel into Mozam-

bique's southern Maputo province on the eve of the agreement and resupplied MNR arms caches.

By August there were indications that the accord could be in danger of foundering amid suspicions that "elements" in South Africa were still supporting the MNR. By late in the year, Mozambique and U.S. officials were saying that these "elements" were members of the Portuguese government and members of the Portuguese community in South Africa, which numbers almost one million, including many persons who had fled Angola and Mozambique on the eve of independence. A senior U.S. diplomat visited Lisbon in November and raised the concern about involvement by members of the Portuguese government with both Prime Minister Mario Soares and Foreign Minister Jaime Gama. Mozambique President Machel made a state visit to Malawi and spoke in no uncertain terms about infiltration into Mozambique through that country.

Several attempts were made, in Africa and Europe, to arrange a "cessation of armed activity," but peace in Mozambique still appeared to be a very long way off. The objective of continued destabilization seemed to be to force the government into a coalition with the MNR, perhaps as an example for Angola. That being the case, has Mozambique, as its critics insist, been guilty of naïveté in signing an agreement with South Africa and trusting South Africa to keep its part of the bargain?

If there were firm evidence that South Africa was breaking the March 16 agreement then the answer would certainly be affirmative. But senior Mozambique officials have long known and said, privately, that it would take at least two years to deal with the bandits. Machel is said to have told a visitor late in the year that probably no more than 30 percent of the MNR fighters were responsive to orders from the group's central headquarters. Machel's expectation, obviously, did not correspond with that of some outsiders, who seemed to think the war would end before the ink of the agreement was dry, and that if it did not, South Africa must be breaking its word. Although the security situation has deteriorated in the southern Maputo province and areas across from the Malawi border, it has improved in the center of the country where roads, such as the one from Zimbabwe to Beira, can be traversed with relative impunity these days and where the oil pipeline and railway are rarely targets.

There are many negative judgments to make on the Nkomati

accord: that it was a defeat and humiliation for Africa, that military might prevailed, that South Africa's international credibility has been enhanced, that it is a serious setback for the ANC and the fight against apartheid. But there is also a positive side. As no country bordering on South Africa now allows, officially or unofficially, passage to ANC guerrillas, can South Africa continue to pretend that its enemy is external? Or must it finally address itself to where the real threat to apartheid lies? Can it now, when a significant military attack occurs, bomb one of its neighbors to placate its white constituency? Is it only a coincidence that South Africa has suffered its worst sustained outbreak of violence and demonstrations this year? Or has the message "this is first and foremost your struggle" gone home in the townships? And is it not a signal for the ANC to reexamine its strategy of relying heavily on support from neighboring countries, for independent African states could never have withstood South Africa's military might. Only time can answer these questions, but the curious irony of the Nkomati deal may well prove to be that it contributed to the acceleration of the struggle within South Africa itself.

III

The Nkomati accord, the news that Swaziland had signed an agreement two years earlier, and the ongoing discussions between Angola and South Africa all put new pressure on other southern African states, particularly Botswana, Lesotho and Zimbabwe. When Botswana President Quett Masire met President Reagan at the White House in early 1984, he asked for Washington's support to help prevent South Africa from forcing him to sign an agreement. Lesotho found it necessary to state publicly that it had no intention of signing any agreement with Pretoria and, as both countries are tied to South Africa in a common customs union and can easily be held to ransom, any such agreement would seem to serve little purpose other than scoring another political point for Pretoria. Certainly neither could be seen as aggressors against South Africa and, for Lesotho, the opposite was the case: South African troops attacked Maseru in 1982 and South Africa is known to support the rebel Lesotho Liberation Army.

It was Zimbabwe which appeared to pose South Africa's main regional foreign policy dilemma. The largest foreign mission in Harare—trade, not diplomatic—is South Africa's, and Zimbabwe was South Africa's main trading partner on the

continent in 1983, with two-way trade amounting to some \$350 million. Further, Zimbabwe provides South Africa with a trade gateway to Zaïre and Zambia. Although Zambian official statistics show no trade with South Africa, some reports say South Africa has overtaken Britain as the largest source of Zambian imports. But Zimbabwean Prime Minister Mugabe consistently, to Pretoria's irritation, refused to countenance ministerial-level contacts with South Africa, and Zimbabwe's ministers and media continued to denounce apartheid.

Even so, during the first eight months of 1984 relations appeared to have distinctly improved. In February, security and military officials from both governments met in Harare when the Zimbabweans produced evidence of South African involvement with dissidents operating in southeast and central Zimbabwe. To underscore the point, they then provided details about the white farmers murdered by South African trained and armed dissidents. The question was obvious—was South Africa's objective to kill the white farmers of Zimbabwe?

After that meeting there was no further evidence of infiltrations from South Africa until the beginning of August on the eve of the congress of the ruling Zimbabwe African National Union. Two groups, together numbering about 60, were seen crossing into Zimbabwe in the area where the borders of Zimbabwe, South Africa and Botswana meet. By year's end the security situation had begun to deteriorate sharply with the murder of two senators, one a member of ZANU and one a member of Joshua Nkomo's Zimbabwe African People's Union, and mob violence against ZAPU supporters.

With elections due early in 1985 and ZANU talking increasingly of a one-party state, tempers were becoming increasingly frayed. Three prominent members of ZAPU, the most important being its secretary-general, Cephass Msipa, resigned from the party, but his resignation came only after Mugabe had dismissed all ZAPU members from the ZANU-dominated coalition government following the murder of the ZANU senator. Bishop Abel Muzorewa, freed from several months' detention late in 1984, said his United African National Congress party would field candidates in all constituencies. But it seemed unlikely that he could improve upon or even hold on to the three seats he won in 1980, and the indications were that Zimbabwe was heading for a polarization between ZANU, with the 80 percent Shona majority, and ZAPU, supported by most of the country's remaining, Ndebele-speaking population.

IV

On the other side of the continent, South Africa's occupation of southern Angola became the focal point for an evolving strategy of negotiation under the U.S. State Department's curtain of "constructive engagement." The transition from destabilization to diplomacy was so sudden that one South African magazine, *The Financial Mail*, likened it to a Transvaal thunderstorm.

In December 1983, the South Africans had penetrated more than 150 miles into Angola in their biggest operation in three years, although they had occupied parts of southern Angola continuously since 1981. The South African military said it was "a pre-emptive strike on SWAPO [South-West Africa People's Organization] positions before the annual rainy season offensive"; but in terms of their own losses it was the costliest invasion of southern Angola since the seven-month Operation Savannah in 1976. The Angolan army was prepared for the attack, to the surprise and dismay of its opponents.

What had escaped South African military intelligence, or had been ignored, was the appearance in Angola of a considerable amount of new and sophisticated Soviet defense equipment, including MiG-23s, technologically superior to the South African Mirages; sophisticated helicopter gunships equipped with rockets and cannons; ground-to-air missiles; and a new radar system. This hampered the South African invaders in sending ground troops too far ahead or attacking by air. Ironically, according to American business and intelligence sources, Cuban troops were not only *not* involved in this fighting but have not fired on the South Africans since 1976 (and are garrisoned in towns). Nonetheless, the issue of "linking" the withdrawal of Cuban troops from Angola to the independence of Namibia dominated each stage of the delicate and often secret negotiations, which were designed to give the process a higher profile in Washington and an acceptable face in Pretoria.

The South African government proposed a 30-day disengagement beginning the first day of 1984 if the Angolans would ensure that there were no infiltrations into Namibia by SWAPO guerrillas. This was rejected. The Angolan president, José Eduardo dos Santos, countered with a letter to the United Nations accepting in principle a 30-day truce with two conditions: the withdrawal of all South African forces from Angolan

territory, and a promise from Pretoria to initiate the process of independence for Namibia within 15 days of the start of the truce.

The South African offensive had caused great concern in some Western capitals because it increased the risk of internationalizing the conflict in the region by inviting direct confrontation with the Cuban troops in Angola and possible Soviet intervention. On January 5, 1984, the Soviet press repeated publicly the warning issued privately six weeks earlier in an unprecedented meeting between Soviet and South African delegations in New York: that such incursions would not be tolerated in future; "aggression cannot be left unpunished." On January 6, the United States and Britain abstained from a U.N. Security Council resolution condemning the invasion and demanding an unconditional withdrawal of South African forces. On January 8, South Africa announced it was beginning to withdraw; General Malan said the dispute should be solved by negotiation rather than military force, and Pik Botha said his government would not object to direct talks between SWAPO and the administrator-general of South-West Africa (Namibia). He rejected Angolan conditions, however.

Meanwhile, the Zambian president, Kenneth Kaunda, had written to the South African prime minister suggesting that if he were serious about finding a solution he should give Namibia its independence as a "Christmas gift." Botha's reply indicated a willingness to arrange talks with SWAPO, and offered to guarantee their safety if they would send a delegation to Windhoek. Kaunda offered SWAPO an aircraft and said he would accompany them. SWAPO leaders declined the risk of Windhoek but reiterated their willingness to hold direct talks with the South African government.

South Africa sent a high-level delegation from military intelligence to an unpublicized meeting in Lusaka on January 30. Both sides took the meeting seriously. The South Africans found SWAPO free of rhetoric and open to discussion. The SWAPO leaders noted the high level of the South African delegation, led by a member of the powerful State Security Council (the decision-making body in South Africa), and its military composition, which indicated a willingness to consider a cease-fire in the 18-year-long war.

The following day, P.W. Botha told the South African parliament that his army had begun to withdraw from southern Angola as the first step in a hoped-for cease-fire. He said the

cost of retaining Namibia had become too high, and he urged political leaders in Namibia to find an acceptable solution to bring the territory to independence. During the current financial year, he noted, "South Africa had made direct and indirect assistance available to the territory amounting to about R560 million [then \$450 million]," not including security spending of about \$320–\$400 million, and had further guaranteed loans of \$550 million. "Our determination [to protect South-West Africa] has exacted a heavy price—in material, in international condemnation, and in the lives of our young men," he said.

Economic and military reality had altered political will; what remained was to fit together the pieces of an international jigsaw puzzle. America, with its diplomatic and financial muscle, was standing by to act as broker.³ "South Africa stands at the crossroads between confrontation and peace," Botha declared. A British newspaper, *The Guardian*, put it differently: "The iron fist of destabilization is now decorously clothed in the velvet glove of diplomacy."

On February 16, an Angolan delegation led by the interior minister, Alexandre "Kito" Rodrigues, met in Lusaka with Crocker and a South African delegation led by Pik Botha. They agreed to set up a joint military commission to monitor the disengagement process in southern Angola and to "detect, investigate and report any alleged violations of the commitment of the parties." As South Africa withdrew, Angola would reestablish its sovereignty and ensure that no Cuban troops or SWAPO guerrillas moved into the area. The communiqué added that "a small number of American representatives could participate in the activities of the joint commission at the request of the parties." The United States set up a liaison office in Windhoek, and over the next few months the commission monitored the hesitant South African withdrawal from Cuvelai, 120 miles north of the Namibian border, to Evale and, finally, to Ngiva, 20 miles from the border, where it stalled.

These events of the first six weeks of 1984 set a pattern for the delicate fabric of negotiation that unfolded throughout the year, the fiber intricately woven in Washington and the bold design completed by the parties involved. "What happens is reciprocal," an American official said. "South Africa withdraw-

³ A reminder of the financial muscle was given early in February at a donor meeting of the Southern African Development Co-ordinating Conference when the United States threatened to withhold \$14.2 million for a vital study of drought-resistant crops if any benefits were to be reaped by Angola, Mozambique or Tanzania.

ing is a change; geographical distance is a change. Each change offers the parties new choices. What chances are they willing to take? Each decision builds confidence for moving on to the next stage." Crocker and his deputy, Frank Wisner, spent much of the year shuttling to southern Africa or the Cape Verde islands off the west coast, a refueling stop for South African Airways often used as a diplomatic meeting place.

A subject pointedly avoided has been the difficult issue of Jonas Savimbi's rebel group, the National Union for the Total Independence of Angola (UNITA). American officials, concerned that mere mention of UNITA could destroy the process, spoke instead of "getting the foreigners out so Angola can solve its own problems." Savimbi has highly placed friends in Washington and other capitals, and receives financial and diplomatic encouragement for his operations despite his close alliance with apartheid. UNITA is often glibly labeled as "pro-Western" because it is opposing a Marxist administration, but Western business interests operating in Angola say UNITA could be better described as "pro-Savimbi." They express doubts that he would settle for minority shareholding in government and feel he could be more difficult to deal with than the present government, which they have come to respect for its efficiency in business dealings despite the American government's refusal to establish diplomatic relations. The fact that UNITA, which characterized itself as a "liberation movement," fought for a time in Angola alongside the Portuguese army that it was supposed to be fighting against, and received supplies from them to fight against other guerrilla movements, does raise questions about its motives.

Savimbi spent the year trying to secure his place in the negotiating process and to prevent his organization from being bargained off for other concessions. After seizing more than 100 foreign hostages, including British, Czech and Portuguese technicians, he demanded direct negotiations and a coalition government. If his offer was rejected, he said, UNITA would carry its acts of violence into the cities. Later in the year, pylons near Luanda were attacked more than once, cutting electricity to the capital. The Angolan government accused the South Africans of continuing their aggression by halting direct attacks but increasing support for UNITA, and said a clear demonstration of continued South African support for Savimbi was his presence in Pretoria at the swearing-in of P.W. Botha as state president in September.

An oil pipeline was damaged in the northern enclave of Cabinda in June, an attack which UNITA claimed but which oil company officials say was carried out by remnants of another group. It was the first attack on an American target, highlighting the presence in Angola of Western oil companies, including American, French, Brazilian and Belgian firms. These businessmen who deal with the Angolans directly speak highly of their relations with the Angolan government, which one Western oilman described as "a clean operation. We just move in with our technical operation and get on with it. We regard Angola as a very go-ahead area."

Oil accounts for 90 percent of Angola's foreign exchange earnings, expected to reach \$1.98 billion in 1984. Foreign exchange earnings are up 19 percent from 1983 and 34 percent from 1982, though there have been problems in meeting production targets for diamonds because of UNITA's sabotage and smuggling. According to the government planning ministry, the manufacturing and mining sectors have recently recorded their highest levels of economic growth. The overall food production target is expected to increase by about 17 percent this year, although agricultural output has been hit by drought, security problems and absenteeism among agricultural workers.

Since independence in 1975, Angola has been the rear base for SWAPO's war in Namibia, an arid but mineral-rich territory on its southern border with a population of just over one million people. Strict implementation of the Lusaka accord between South Africa and Angola would mean that SWAPO would be excluded from the neutralized zone in southern Angola, and would confront serious impediments to infiltration. South Africa has given the continued presence of SWAPO guerrillas in southern Angola as a reason to delay its withdrawal; another reason given for the delay was "bad weather."

South Africa released almost 100 Angolan and Namibian prisoners during 1984, including Andimba Ja Toivo, a founder of SWAPO who had served 16 years of a 20-year sentence. He was promptly appointed to the SWAPO politburo and later elected secretary-general, effectively number two in the party. If South Africa's intention was to divide SWAPO, it seems to have failed, but it signaled a dramatic step toward fulfilling one of the conditions of U.N. Security Council Resolution 435. On March 11, P.W. Botha went a step further, saying South Africa was willing to take part in a peace conference of all parties

involved in Namibia, with no preconditions. SWAPO had earlier indicated it would meet the administrator-general if he were the designated representative of the South African government.

Hints of South Africa's real strategy emerged publicly on April 27, when P.W. Botha told the parliament in Cape Town that "the people of South-West Africa, including SWAPO, cannot wait indefinitely for a breakthrough on the Cuban question. If the political parties, including SWAPO, can in the meantime come to some agreement with regard to the future of their country, South Africa will not stand in the way." In Lusaka, President Kaunda contemplated, as a way out of the impasse, a regional settlement which could be endorsed later by the United Nations "ex post facto." He enticed SWAPO into a meeting attended by the administrator-general and the Multi-Party Conference, but SWAPO's position had been strengthened by the defection to its ranks of some key MPC leaders. The meeting collapsed, but it brought into the open South Africa's strategy of trying to draw SWAPO away from Resolution 435 and a seven-month transition to elections and into protracted constitutional negotiations with the internal parties; SWAPO, militarily weakened but politically strong, demurred.

Another means of avoiding a U.N. peacekeeping force was floated by P.W. Botha in June, during his tour of six European capitals, when he suggested that West Germany resume its colonial role in Namibia or that the Western contact group (Britain, Canada, France, West Germany and the United States) take over administration, defense and economic aid for the territory. They all declined (the German government called it a "propaganda exercise"), and European leaders were bluntly critical of South Africa's policies. Crocker, meanwhile, was working on a formula to extend the Angola-South Africa truce and the joint commission to include SWAPO.

In September, the Angolan government gave a written commitment on Cuban withdrawal, but ruled out any reconciliation with UNITA. At about the same time, the Angolan press reported that 1,500 armed rebels of the National Front for the Liberation of Angola (FNLA), including their chief of staff, had given themselves up with 20,000 civilian supporters and pledged allegiance to the government. Soon another senior FNLA exile, a former joint prime minister in the tripartite government of 1975, announced his return to the country.

These events seem to indicate a decrease in support from their main backer, President Mobutu Sese Seko of Zaïre.

Angolan and South African military leaders, meeting at Ngiva in November, agreed that there were political decisions to be made and a ministerial meeting would be necessary. Then, in late November, the Angolan government made public its five-point negotiating position: the withdrawal of all South African forces from southern Angola; a pledge by the South African government to "honor and contribute to" implementation of U.N. Resolution 435; a cease-fire agreement between South Africa and SWAPO; a statement by the Angolan government that it will proceed with the withdrawal of Cuban troops when the implementation of Resolution 435 is under way; and the signing of a procedural agreement between Angola, South Africa, Cuba and SWAPO, with the U.N. Security Council as guarantor. Accompanying this was a detailed written proposal for the phased withdrawal of 20,000 Cuban troops over three years; 5,000 Cuban soldiers would remain in the north to protect Luanda and the Cabinda oilfields. The South Africans have demanded the withdrawal of all Cuban troops from Angola in three stages to be completed no later than 12 weeks after implementation of Resolution 435 begins, a position that Angola and the other Front Line states found untenable. "Angola cannot make concessions which would be suicidal to its national integrity. . . ." ⁴ Pretoria also wanted a joint peace commission set up to monitor the Cuban troop withdrawal, assurances that the Cubans will not be replaced by other foreign forces, and limits to be set on the number of Soviet bloc advisers working in Angola. The Front Line states regarded these demands as interference in Angola's internal affairs.

The fact that there was a written proposal on which to negotiate, however, made the Africa bureau of the State Department almost optimistic, and Crocker told the Senate Foreign Relations Committee's subcommittee on Africa that "we are closer to the threshold of Namibian independence than ever before. The underbrush has been cleared away. Though negotiations are at a sensitive stage, we have reason to believe we may be close to the fundamental political decisions on implementing Resolution 435 and agreement on the Cuban

⁴ The Angolan position was made public in a "Message from the Angolan Head of State to the United Nations Secretary-General on the Problems of Southern Africa," dated November 20, 1984, circulated in the Angola Information Bulletin, and run as a full-page advertisement in *The Times* (London), November 24, 1984.

troop issue in Angola. We have identified the basis for a settlement and are committed to succeed."

By the end of 1984, more "linkages" had been identified. Angola cannot withdraw Cuban troops until South Africa stops supporting UNITA; South Africa will not do that until the Angolan government agrees to talk to Savimbi. On the other side, South Africa refuses to complete its withdrawal from southern Angola unless SWAPO is removed from the area and monitored; Angola cannot take that action until South Africa and SWAPO agree to a cease-fire.

v

The aims of South Africa's regional policy seem clear enough: to prevent neighboring states from hosting SWAPO and ANC guerrillas, and to make economic links tight enough to eliminate the specter of sanctions and disinvestment. But there is no single term adequate to describe the heavy blend of destabilization and détente that has evolved as South Africa's strategy after several shifts in emphasis over the past decade. "Don't speak of destabilization," officials in Pretoria say; "call it our forward policy."

Many explanations have been given for the change in South Africa's behavior in 1984, including its economic weaknesses, the high cost of the war and Western pressure. These are all valid. But there is another aspect: the South African leadership orchestrated the wars with a political objective in sight, sort of "shooting their way to the bargaining table."⁵ The cynical view in Pretoria is that "détente failed because the black states were not well enough motivated to talk to 'racist' South Africa openly. Destabilization helped to provide that motivation." The nonaggression pact with Swaziland, signed in 1982 at the height of destabilization but not made public until after the Nkomati accord, would seem to reinforce this view.

Each regional agreement has an interlocking benefit for South Africa at home as well as for its security in the region. The Lusaka accord can reduce defense costs; the Nkomati accord has potential for business and tourism; these opened the way for a European tour by a South African premier—the first since Jan Smuts' in 1946—which offered some international respectability, as well as the opportunity for financial

⁵ A phrase used by *The Economist* (London).

discussions in Switzerland; Namibia's independence, moreover, would ease economic and military strains.

But the most difficult pressure for South Africa to contain, militarily and psychologically, is on the home front, and 1984 saw the swelling of internal dissent coupled with continued ANC attacks on economic and military targets. With their access routes sealed off, this suggests a strong presence within the country, including no doubt many young people who fled after the Soweto clashes eight years ago and have returned as combatants. Young ANC guerrillas continue to appear in court charged with treason. But in policy at home as much as in regional strategy, 1984 was a watershed for Afrikaner rule in South Africa; it will never be the same again.

VI

P.W. Botha was sworn in as the first executive state president under a new constitution that allows limited representation by coloreds and Indians but still excludes the three-quarters of the population who are black. Few people inside or outside the country approved of the new constitution. It caused deep divisions within Botha's Afrikaner constituency and, coupled with the gloomy state of the economy, was made palatable only by the foreign policy footwork that included regional accords and official reception in Europe.

In a climate of demonstrations, detentions and arrests, a majority of the colored (mixed-race) and Indian populations boycotted parliamentary elections to express their disapproval, and on September 3, the day the new constitution came into force, riots broke out in black townships costing at least 44 lives by the time the new parliament opened two weeks later. General unrest continued through the rest of the year and work stoppages showed the potential muscle of the new black trade unions. The coalition of opinion actively working for the dismantling of apartheid broadened its base as well as seizing the international spotlight, and later in the year some prominent businessmen, including Afrikaners, began to openly criticize aspects of apartheid.

The new tricameral legislature includes separate chambers for whites, coloreds and Indians.⁶ Each group has executive authority over its own "community" affairs such as health

⁶ Twenty-three million of South Africa's population are black; 4.6 million are white; 2.7 million are classified as colored; and 870,000 are of Asian descent.

services, education, agriculture and housing, while the cabinet controls "general" affairs, retaining the powers of defense, law and order, finance and foreign affairs.⁷ The only bodies in which direct bargaining between the races is likely to occur are the standing committees. The new cabinet contains only two nonwhites and neither has a specific portfolio. The new constitution makes "special provisions" for black affairs in the office of the president.

In his opening address to the new parliament, Botha said, "Democratic political participation must also be further extended among our black communities," but he gave no indication of any concrete plans for the extension of black political rights. Nor was there any suggestion that he meant the black majority. A cabinet committee is studying constitutional arrangements for *urban* blacks. But the new Aliens Amendment Bill deprives nine million *rural* Africans of their South African citizenship, declaring them "aliens," relegating them to dusty, impoverished homelands, and imposing heavy fines on anyone who employs them in white-designated areas.

Such "influx control" policies have been tightened since Botha took power in 1978, but recently, as the economy pinched, some prominent businessmen began to publicly criticize the policy as economically disastrous, politically divisive and internationally damaging. Aside from moral considerations, they said, influx control was not working and had not worked anywhere else; throughout history people had been drawn to urban areas.⁸ The new constitution offers blacks no protection from forced relocation, often called "black spot" removals or, euphemistically, "ethnic consolidation," where white-designated lands are sealed off by police while the villages are razed and the population taken away to the homelands.⁹

The government has admitted that it has relocated almost two million blacks since 1960, and conceded further that there has been "an element of force in some removals," but says relocation is now "development-oriented." In the Cape townships of Langa and Guguletu, that meant that development

⁷ The (white) House of Assembly has 178 members; the (colored) House of Representatives has 85; and the (Indian) House of Delegates, 45. White members dominate the electoral college, which chooses the president, and the president's council, which mediates disputes between the chambers.

⁸ South African officials routinely ignore the flow of people from rural areas to the cities by drawing up plans that allow for only the natural population growth of blacks already in urban areas, thus leading to extreme overcrowding.

⁹ Half the estimated Ciskei homeland population of one million has been relocated in the past decade; and almost two-thirds of the homeland's income derives from migrant workers and "frontier commuters" who live in Ciskei and work elsewhere.

funds were halted to persuade people to move, part of a plan to shift the entire black population of Cape Town, numbering more than a quarter of a million, to a vast new township on the sand dunes of False Bay, almost 30 miles away, by the year 2000. Later in the year Botha hinted at some unexpected second thoughts. "Like it or not," he told the Cape provincial congress of his National Party, "the free Western world is extremely sensitive to large-scale removals of people who are moved just for the sake of moving them."

The easing of "business apartheid" has been recommended by a government commission, which proposed the opening of "defined central business districts" for trading by members of all races and the further desegregation of public facilities including cinemas and public transport. It concluded that the Group Areas Act was "not indispensable," but said residential areas must continue to be racially separated. A government decision to allow blacks to live and work in the western Cape, long a preference area for coloreds, was a small concession strengthening the hand of the new colored MPs who had campaigned for integration. The pillars that uphold the Group Areas Act and the rest of the apartheid system are the Immorality Act and the Mixed Marriages Act, which make sexual relations and marriage across the color line illegal. These show no immediate signs of crumbling, although a government commission recommended some changes and the Labour Party, which dominates the (colored) House of Representatives, campaigned strongly against these laws as well as in favor of black representation in parliament.

Discontent, simmering in black schools since early 1984, erupted around the June 16 anniversary of the 1976 clashes in Soweto and again in August on the eve of voting for the new parliaments. There had been no previous referendum of coloreds and Indians to determine their response to the new constitution, as there had been with the white electorate in November 1983. The whites' favorable response strengthened the government's hand against dissenting Afrikaners such as the Afrikaner Volkswag, or "People Guard," formed as a rival to the Afrikaner Broederbond to oppose the "reformist" policies of government.¹⁰ The Volkswag welded feuding conserv-

¹⁰ The Volkswag was formed in May, a creation of Professor Carel Boshoff, son-in-law of the high priest of apartheid, Hendrik Verwoerd, and a former chairman of the Broederbond who was forced to resign after opposing the new constitution. The Volkswag set as its goal the survival of "a free white Afrikaner nation" for the next thousand years, bringing to mind echoes of Ian Smith and his predictions for Rhodesia.

ative Afrikaners into a political force which could threaten some National Party seats in the next white election if associated parties agree to run single candidates.

A central element in organizing black demonstrations against the constitution was the United Democratic Front, a broadly based, nonracial coalition of more than 600 organizations including ratepayers' associations, trade unions, community and church groups. The UDF was one year old in August when it achieved its first major objective—a low poll in the colored and Indian elections. “A spirit of defiance against race rule is alive in the land,” a UDF leader said at the anniversary rally. “We speak with one tremendous voice from the Cape Peninsula to the northern Transvaal and from our eastern shores to Kimberley.”¹¹ Building on its successes in 1984, the UDF, which named among its patrons Nobel Peace Prize winner Bishop Desmond Tutu and several persons banned or imprisoned, including Nelson Mandela, may go on to consolidate its support and make specific political demands such as the release of political prisoners for a national convention. Still, there are fears that the organization, or its leaders, may be banned.

A UDF president, Archie Gumede, and executive members of the affiliated Natal Indian Council, a passive resistance movement founded by Mohandas Gandhi 90 years ago, gained international attention when they took refuge in the British consulate in Durban after they had been released from detention by the Supreme Court and then ordered redetained by the government. They remained in the cramped offices of the consulate as British relations with the South African government deteriorated, finally provoking a reaction that damaged South African credibility, especially in Europe, when Botha announced that four South Africans released on bail by a British court would not return to Britain to face charges of illegally exporting arms components to South Africa in breach of the U.N. embargo. Three of the Durban Six, as they were called, left the consulate to protest against the linking of their sit-in with the so-called Coventry Four, and they were immediately detained by security police. *The Times* of London warned that “a broken international promise inevitably means a loss of credibility,” and questioned whether the South African

¹¹ Comparable coalitions in recent South African history were the 1936 All-Africa Convention called to resist the Land Bill and the removal of Africans from the voters roll, and the 1955 People's Congress which adopted the Freedom Charter in response to the implementation of apartheid legislation.

government could now be trusted in Namibia negotiations. Two of the remaining three fugitives were redetained when they left the consulate.

When the new constitution took effect on September 3, the worst rioting since 1976 spread through townships in the Vaal triangle south of Johannesburg, an industrialized area of high unemployment and heavy retrenchment with the highest cost of living in the country. A "stayaway" from work had been organized to protest rent increases, and several people died in a wave of attacks on black councillors and their offices and property. By the end of the year, more than 200 people had died amid millions of rands worth of damage to shops, schools, libraries, houses and churches. Several local councillors resigned. "South Africa can hardly afford to allow its black urban complex to remain flashpoints that can explode at any moment," said an Afrikaans newspaper, which identified the causes of the demonstrations as the black education system and poor economic and social conditions, triggered by the increases in rent.

"The complete disenfranchisement and exclusion from all decision-making bodies compels the black man to vote with a petrol bomb," said Ntatho Motlana, chairman of Soweto's influential Committee of Ten. The government reacted to this vote by sending the army into the townships and gagging dissent in 22 districts to prevent political demonstrations at the funerals of those who had died. Gatherings to commemorate the 1977 killing of Black Consciousness movement leader Steve Biko were canceled.

Then, for two days in early November, between 300,000 and 800,000 workers stayed away from their jobs in the biggest mass protest in South African history. The "stayaway" was initiated by the Congress of South African Students to support demands for: the withdrawal of army and police from the townships; resignation of community councillors; a stop to rent and bus fare increases; the release of detainees and political prisoners; reinstatement of dismissed workers; withdrawal of an "unfair" general sales tax and other taxes; democratically elected student representative councils at black schools; and abolition of educational age requirements for blacks.

The demands drew a broad range of support and marked a new phase in the history of anti-apartheid protest with the coalescing of action by students, community groups and organized labor. Its success brought home to other sectors of the

society just how dependent they are on the labor of black workers and how deep the level of black discontent has become.

The key role played by trade unions, including those which had previously concentrated on shop-floor issues and avoided political involvement, highlighted the strength of organized black labor. Two recent disputes had developed into tests of strength. The Metal and Allied Workers Union and the South African Boilermakers' Society held a joint ballot which overwhelmingly supported strike action, the first time an emerging, mainly black, union had undertaken such action with a long-established union. And the first threatened legal strike by black mineworkers was settled after a bloody and costly dispute in which at least seven gold-miners were killed, about 500 injured and a considerable amount of mine property destroyed. The National Union of Mineworkers, which saw its membership grow from four percent of the country's half a million black miners in 1983 to 20 percent in 1984, warned that bargaining will get tougher as the membership grows larger.

Coupled with nonwhite discontent was the turbulence of the economy; white South Africans had been living beyond their means for the past three years and now faced the reckoning. The finance minister of ten years was replaced with a younger man, a rising star of 44, Barend du Plessis. Du Plessis rapidly drew protests from businessmen, bankers and consumers when he introduced an austerity program with measures to curb consumer spending, cut imports, reduce inflation and strengthen the rand, at a time when expensive new infrastructures were required for constitutional reform and when the expectations of other racial groups were at an all-time high, demanding a larger slice of the cake in improved education, health and social services. The good news he served up to his financial constituency on his return from the annual meeting of the International Monetary Fund (IMF) and World Bank was the country's relative creditworthiness abroad.

At the close of 1984, the Afrikaner rulers of South Africa still had a long way to go to gain international acceptance and economic stability. The phrase "neo-apartheid" to describe the current situation was not coined by radical opponents but by a conservative financial journal, *The Economist* of London, which argued that there had been no shifting of course and that the co-option of coloreds, Indians and urban blacks was always part of National Party strategy. "Neo-apartheid" meant the weakening of classical apartheid through economic change, the

dismantling of some bits of "petty" apartheid and the extension of limited political rights to coloreds and Indians, coupled with the retention of a racially biased franchise, harsh implementation of influx control through forced removals and continued restrictions governing where people live and work.

Neo-apartheid, no matter how startling to the Afrikaner Volkswag, was not enough to halt the process of radicalization that alarmed the U.S. government. Surveys conducted in recent years show greater politicization in both urban and rural areas of South Africa and increased support for a more militant line.¹² The summary of a meeting held by the U.S.-South African Leadership Exchange Program to examine the causes of discontent noted: "The proximity within which blacks of all classes must live their lives creates what was described as a *lumpenproletariat*." The American policy of public support and private pressure on the South African government has centered on preventing that radicalization. Botha apparently replied sharply to a letter from the White House early in the year. But the message has been clear for some time: the United States wants a strong ally on the southern tip of Africa, and for its economic stability and international respectability, the harshest measures of apartheid must be altered and evolutionary change implemented as quickly as possible before conditions are ripe for revolutionary change.

Considerable American financial resources, both public and private, have been made available to a variety of groups including unions, churches and civil rights organizations, for molding changes in the society through educational scholarships and management training programs. American business has been encouraged to provide equal wages and opportunities for their black workers, and American unions urged to help train their brother unions. As the year drew to a close, organized public pressure also mounted in the United States, and several anti-apartheid protesters were arrested in demonstrations that included congressmen from both political parties. Crocker acknowledged that the demonstrations were "not unhelpful in getting the basic message across" to the South Africans.

Throughout their history, Afrikaners have shown a strong instinct for survival. The year 1984 brought home to their leaders the fragile nature of their economic dependencies:

¹² This is shown in three surveys taken in recent years: by Germany's Bergstrasse Institute in 1977; for the Buthelezi Commission in 1981; and by Natal University's Lawrence Schlemmer early in 1984.

internationally, on overseas financial markets for the price of gold and the exchange rate of the U.S. dollar to the rand; regionally, on their neighbors for mutually lucrative business arrangements in preference to the high cost in money and lives of military intervention; internally, on the majority of their population to whom they have denied basic human rights, whom they have forced to live in appalling social conditions, and on whom they are ultimately most dependent for their prosperity and security.

The Afrikaners have also had the opportunity to scrutinize the power of their closest ally, the United States, as this power was used both to support them and to pressure them. It is a power they would like to emulate, perhaps no longer as part of a 'constellation' but rather as a regional superpower. Such status would ensure their survival through military and economic domination, and would enhance their future ability to resist pressure, even from their allies.

VII

Not for the first time have African human rights issues generated rhetoric in Western capitals, or have pictures of starving African children flashed across the television screens of complacent Europeans and Americans. The Chad imbroglio, Qaddafi's designs in north Africa and the war in the western Sahara were not issues new to 1984.

The new year was ushered in by a bloodless coup in Nigeria, led by Major-General Muhammed Buhari, a former state governor and a commissioner for petroleum. Several members of his supreme military council served in previous military governments and are well acquainted with Nigeria's pressing economic and political problems. The coup did not meet with a favorable response elsewhere, as other African states expressed a fear for the loss of the democratic process and the reimposition of long-term military rule in Nigeria. Still, most Nigerians seemed to welcome the new government, hoping that it would lead to the elimination of widespread corruption and a revitalization of the economy.

The Buhari government has spearheaded a "war against indiscipline," in which the list of crimes punishable by death has grown and prominent ex-civil servants have received stiff prison sentences for their abuse of power. Buhari also started a campaign to raise worker productivity, and his government's attempts to cut smuggling have had some success.

In an attempt to take control of the economy, the government closed the border for a week in April while it issued new currency. Still, the policies adopted by Buhari have not gone far enough to please the IMF, which has been reluctant to negotiate a \$3-billion credit for Nigeria. This and disagreements within OPEC over oil production quotas and price reductions have weakened the new government in the international community.

In Sudan, the division between north and south increased, with the Sudanese People's Liberation Movement gaining ground in the south. President Gaafar al-Nimeiri's introduction of "sharia," or full Muslim law, in late 1983 and the restructuring of the southern Sudanese provincial government furthered the already existing antagonisms felt by southerners for the northern government. Based on a feeling that the south is losing the autonomy granted in the 1972 Addis Ababa agreement (which ended a 17-year civil war), and that the south's natural resources are being exploited for the benefit of the northerners, the rebel movement managed in 1984 to stifle economic development and to combat northern political control in the south.

The Chevron International Oil Company suspended oil exploration in February, "pending resolution of current security problems." The halting of a pipeline development to carry oil from the south to a processing plant in the north also puts pressure upon Nimeiri to come to terms with the southern rebels. By September the Sudanese government was trying to convince the oil company that the area was now safe, yet development remained at a standstill.

An air attack at Omdurman in mid-March heightened regional tension as Libya was blamed for the attack. While many in the Sudan refused to believe this version of events, both Egypt and the United States came to Nimeiri's aid: a 1967 mutual defense pact between Egypt and the Sudan was invoked, and the United States sent surveillance aircraft to Egypt to help defend the Sudan.

In April a state of emergency was imposed in order to more effectively combat those resisting Nimeiri's new emphasis on Islam, as well as the "sons of the South, gathering under the red Marxist and Leninist banner." But in mid-year, Nimeiri's plan to create a full Islamic republic received a setback when the Sudanese assembly rejected several of his proposals. By the end of the year, amid rumors in the diplomatic community at

Khartoum that it was the end of the Nimieri era, the president was forced to backtrack. In late September he lifted the state of emergency and suspended the special "courts of decisive justice" created to enforce Islamic law. He stated then that the "society has been purified of corruption and immorality." This followed the announcement that the southern Sudan could once again become a single administrative unit if the people demanded it by way of constitutional means. These measures may go some way toward easing the situation and allowing the oil companies to begin work again.

East Africa has been relatively quiet this year, though there was a flurry of activity in late 1984 as the U.S. assistant secretary of state for human rights, Elliott Abrams, labeled the human rights situation in Uganda "horrendous" and claimed that President Milton Obote was responsible for killing or deliberately starving between 100,000 and 200,000 people since 1980—a claim that U.S. officials subsequently withdrew.

Certainly events in Chad could be said to have convinced Africa-watchers that little is new. The 19-year civil war escalated in January when the Libyans downed a French jet south of the "peace line." As the number of French troops increased and moved north, Claude Cheysson, the French external relations minister, met with Qaddafi and other leaders in the region in an effort to find a solution. Only at year's end was there some movement, even though two earlier attempts to get Chadian President Hissen Habré and his opponent, Libyan-backed Goukouni Oueddei, to the negotiating table failed in acrimony over protocol.

On September 25, in what was called a new chapter in Chad history, French and Libyan troops began to withdraw concurrently. While Habré was dissatisfied with the choice of observers, and changes were made accordingly, the withdrawal seemed to move smoothly. On November 10, the French and Libyans jointly announced that the withdrawal was complete. Six days later President François Mitterrand was forced to concede that 1,000 Libyan troops remained. By year's end, Cheysson had been moved from the Quai d'Orsay to the European Commission in Belgium, and Mitterrand was touring Africa in an effort to convince African leaders, notably Zaïre's Mobutu Sese Seko, that France was correct in not having used force to remove Libya from Chad.

Tunisia and Morocco were hit by riots sparked by increases in basic food prices in January 1984. While the rises were

canceled, the shadow of the riots hung over Moroccan affairs well into the year. The International Federation of Human Rights visited Morocco to investigate the safety of the 1,500 persons detained during the riots and departed generally satisfied, though sentences have been judged to be excessively long. In an attempt to assist the farmers, who were to benefit from the food price increase, King Hassan announced that they were exempt from taxation until the year 2000.

The economy, which supports Morocco's war against Polisario in the western Sahara, is expected to benefit from increased sales in phosphate as the world economy improves. Probably in an attempt to ease the economic situation by gaining access to cheaper oil and a market for more Moroccan contract workers, Hassan entered into what has been called an "unnatural marriage" with Qaddafi on August 13. A treaty establishing a "union of states" was signed, which was meant to make a "real contribution to the building of the Arab Maghreb . . . and the unity of the Arab nations." While the rhetoric may be overdone, the treaty did have real advantages then for both Qaddafi—reintegrating him into Arab acceptability—and Hassan—cutting through the isolation which Morocco suffered as a result of its war in the western Sahara. Whether the treaty can really be of assistance to Morocco is doubtful, now that it has left the Organization of African Unity over its stance in the western Sahara. In any case, it is unlikely that Morocco will make any major concessions so long as it continues to consolidate its military position there.

World attention was focused most recently on Ethiopia, though warnings of widespread famine were given at least 18 months ago. Relief workers spoke of the "mind-boggling scale of the drought," which affected young adults as well as children and the elderly, and predicted that grain aid from Western and Eastern bloc countries by the end of 1984 would amount to only one-tenth of what is required.

Aid agencies mounted a massive awareness campaign in the media of their various countries, and Western governments generated their own publicity later with a food airlift. As the year came to a close, the United States announced it was doubling its emergency aid to Africa to \$200 million, half of it earmarked for Ethiopia. The war in Eritrea somewhat complicated relief work, especially as the Eritrean offensive limited access to severely stricken areas. Criticized by the Western media for the cost of commemorating the tenth anniversary of

the overthrow of Emperor Haile Selassie against the backdrop of the drought, the Ethiopian government announced a ten-year, \$30-billion development plan that gives immediate top priority to emergency drought relief. The ten-year plan forecasts an annual economic growth rate of 6.5 percent and food self-sufficiency by 1994. The plan will be implemented by the new Workers Party of Ethiopia, which includes all members of the old military council in its leadership as well as some civilians. Lieutenant Colonel Mengistu Haile Mariam, the head of state, was also made the party's secretary-general.

The election of Julius Nyerere as chairman of the Organization of African Unity at a critical moment in its history will bring southern African affairs even more sharply into focus in 1985. Nyerere has not held the post before, although he is a founding father of the 21-year-old organization. He is an experienced and principled statesman who will bring new strength to the OAU at a time when the continent is being watched closely to see how it handles its own affairs. Africa faces some "awesome problems," the new chairman said in his inaugural address, and he hinted at a new toughness with the West. African nations, Nyerere said, must find their own solutions to problems, "because the rich nations close their eyes. Their hope is to increase and maintain their economic control over poor nations. Separately we are all beggars. Together, we can reduce our weakness."

Stanley Hoffmann

THE U.S. AND WESTERN EUROPE: WAIT AND WORRY

Nineteen eighty-four has been a quiet year in U.S.-West European relations—a year during which these Western countries had the luxury of organizing a large number of conferences for intellectuals and public figures to ask themselves whether George Orwell's bleak warnings had actually been prophetic (if they had been, these colloquia could not have been held) and whether Soviet reality resembled Orwell's vision of totalitarianism. What actually happened in the relations among these nations was less interesting than what did *not* happen.

The end of 1983 had been marked by the crisis over the deployments of American intermediate-range missiles in several West European countries. The first deployments proceeded on schedule in November and December 1983, despite the hostility of a sizable part of the publics in Britain, West Germany and Italy, and despite massive but, on the whole, not violent demonstrations. The immediate effects were the collapse of the arms control negotiations between Washington and Moscow over intermediate-range nuclear weapons and then the interruption of the Strategic Arms Reduction Talks.

French President François Mitterrand, in November 1983, had compared the situation to the Berlin and Cuban missile crises of the early 1960s. Even in West European political circles favoring the NATO deployments, there was apprehension about the consequences that the breakdown of the only important set of negotiations between the superpowers would have on relations between West European and Warsaw Pact countries.

This atmosphere of malaise and anxiety was the product of other worries as well. Many influential Americans, civilian and military, were questioning the validity and credibility of NATO's doctrine of flexible response. The West German body politic (especially after the repudiation by the Social Democrats of the

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positions of former Chancellor Helmut Schmidt) seemed to be evolving toward pacifism and neutralism. The European Economic Community (EEC) was in a quasi-paralyzed state where discord centered on the issues of the British financial contribution and of the Common Agricultural Policy. Finally, there was concern over the future of the American economic recovery and the speed with which, if it lasted, it would help lift the West European economies out of their deep troubles. The year past did little either to worsen these apprehensions, or to dispel the malaise.

Among the events that did *not* happen in 1984, one can list:

1) a spectacular worsening of Soviet-American relations, which the double crisis over the South Korean airliner and the missile deployments could have engendered;

2) a new U.S.-West European crisis over sales of industrial technology to East European countries and to the Soviet Union;

3) further massive protests interfering with missile deployments in Western Europe, especially in West Germany;

4) agreement on a new NATO strategic doctrine;

5) important progress in the development of political links between several East European countries and Western Europe, particularly in relations between the German Democratic Republic and the Federal Republic of Germany, culminating in a visit by G.D.R. leader Erich Honecker to Chancellor Helmut Kohl in Bonn;

6) agreements between Washington and its main European allies on joint policies for restoring the unity and integrity of Lebanon, for trying to resolve the Palestinian issue, and for a peaceful solution in El Salvador and Nicaragua;

7) a spillover of the American economic recovery, fueled by sharply declining interest rates in the United States and by a fall in the value of the dollar that helped lighten the burden of West European imports paid in dollars without curtailing European exports to the United States too much.

The year brought no breakthroughs, no catastrophes. It did produce some progress on a variety of fronts—East-West, intra-European, NATO—but not enough to make of 1984 something more than a year of frustrations. These can best be discussed by examining the scene first from the viewpoint of the West Europeans, and then from that of the United States.

II

By the end of 1983, West European governments were both relieved by the relatively successful first missile deployments

and anxious about the deterioration in East-West relations. They wanted to use whatever influence they had to prod the superpowers to resume their dialogue, particularly on arms control; and they wanted to preserve as much as possible of the West European-Eastern détente, the nature of which had always been different from the brief Soviet-American détente of the 1970s. These efforts were not entirely unsuccessful.

On the one hand, the superpowers did move, slowly and cautiously, toward a new dialogue. President Reagan's State of the Union address, on January 25, used a much more conciliatory tone in referring to the Soviet Union, and Soviet-American contacts were resumed the same month, when the Conference on Security and Confidence-building Measures met in Stockholm, and the Soviets agreed to continue the interminable Mutual and Balanced Force Reduction (MBFR) discussions in Vienna. In the fall of 1984, the dialogue became more intense, with Soviet Foreign Minister Andrei Gromyko's invitation and visit to the White House; President Reagan's speech to the U.N. General Assembly; President Konstantin Chernenko's own suggestions for a resumption of talks; the appeal in early December by the foreign ministers of the Warsaw Pact countries for a return to détente; and the Soviet acceptance of the offer of a meeting between Secretary of State George Shultz and Gromyko to discuss the American proposal for "umbrella talks" about arms. All of these developments were greeted with pleasure in Western Europe; particularly well received were indications from Washington in the last weeks of 1984 that the State Department would have a more central policymaking role, and the appointment of Paul Nitze as Secretary Shultz's counselor on arms control.

On the other hand, there was no sign of the "ice age" that Erich Honecker had predicted for relations between Western and Eastern Europe if the American missiles were deployed in the West. Until September, relations between the two Germans became closer, rather than less so. West Germany even extended a loan to the G.D.R. East German officials allowed a large number of their citizens to emigrate to the Federal Republic and made their lack of enthusiasm for new Soviet missile deployments on their soil clear to their West German colleagues; more discreetly, Czech officials hinted at the same unhappiness in conversations with the French. Hungary played a quiet but important part in maintaining ties across the Iron Curtain; British Prime Minister Margaret Thatcher made her first visit to an East European country when she went to

Budapest, and Hungarian leader János Kádár visited Paris in October. Bulgaria, usually the closest of the U.S.S.R.'s East European allies, scheduled a state visit to Bonn, tending to emulate East Germany and Hungary rather than Moscow.

These actions seemed to express a sense of common European interests. On both sides of the Iron Curtain, statesmen calculated that their own freedom of maneuver would disappear if their respective superpower protectors engaged in a new cold war, and citizens felt that something had to be done to signal their unwillingness to be dragged back to the ice age of the late 1940s and 1950s. Thus the West Europeans—especially the West Germans, Italians and representatives of the Benelux countries—put constant pressure on Washington for a resumption of the dialogue with Moscow. The Soviet leaders—including the most obdurate and dour of them, Gromyko—obviously felt a need to reassure their own restless allies. Both factors clearly contributed to the warming trend in the fall of 1984.

And yet, the new turn in Soviet-American relations was not only, or even primarily, the result of West European efforts. In the case of the United States, domestic considerations played a major role. President Reagan, up for reelection, had sensed the American public's own worry about the deterioration in the superpowers' relationship and an uncontrolled arms race. In order to cut the ground from under his opponent's feet, the President had to commit himself to a major effort at arms control, and—unlike in the campaign of 1980—to stress more heavily his determination to reach some accommodation with Moscow than his quest for American strength.

The U.S.S.R., deeply concerned about American plans for anti-ballistic missile defenses, had its own reasons for wanting to renew arms control negotiations. A "decent interval" had passed that allowed it to retreat silently from its earlier, increasingly untenable demand that such a renewal be linked to removal of the American intermediate-range nuclear forces from Europe.

Whatever the reasons for the success of West European efforts to avoid a return to the cold war, almost nothing of substance was accomplished between the superpowers in 1984. On the Soviet side, statements about a willingness to talk were always coupled with bitter attacks on the Reagan Administration's militarism. On the American side, there were recurrent reports about Soviet violations of past arms agreements, and

the Administration clearly had difficulty resolving internal disputes about the proposals to be made in January 1985 to Gromyko. In Vienna, the new proposals presented by the Western countries at the MBFR talks in April 1984—proposals which aimed at removing one crucial obstacle, the need for agreement on data—met no positive response from the East, perhaps because in the new Western offer verification measures were made more stringent. As for the Stockholm Conference on Disarmament in Europe—the product of two initiatives in which West Europeans had played a major role (the Helsinki Conference on Security and Cooperation in Europe and its various follow-up meetings, and the French call for a conference on disarmament in Europe)—by the end of the year it had not gone beyond the settling of procedural issues. Western and Eastern proposals remained far apart—the West stressing a set of measures aimed at improving exchanges of military information and observation, the Soviets emphasizing far more sweeping and political goals, such as the no first use of nuclear weapons and nuclear-free zones. President Reagan's statement of June 4, which expressed willingness to consider the Soviet proposal for an agreement on the non-use of force, was well received in Western Europe, but it was linked to Soviet readiness to "negotiate agreements that will give concrete, new meaning to that principle"—and so far no such readiness has been visible. At the NATO Council meeting in December, the allies pressed the United States to extend its relationship with Moscow, beyond arms control, to include renewed trade links and political discussions. But American reluctance to do so remains great, given the Administration's unwillingness to legitimize the Soviet role in various parts of the Third World.

The West Europeans also received, in 1984, many confirmations of a fact that is both familiar and unwelcome to them: that they are unable to exert much influence on Moscow. The Soviets responded to the American missile deployments with new deployments of their own (including additional SS-20s), both in Western Russia and in East European countries. As a result, one of the two main arguments often made for the deployments, particularly in France, that the new American missiles were needed to redress the imbalance between U.S. and Soviet INF, has become less convincing, for that imbalance has worsened—assuming that the argument ever made sense in the first place, since it somewhat contradicts the second, still plausible argument that the stationing of Pershing II and cruise

missiles on West European soil increases the visibility of "coupling."

The Soviets have also, throughout the year, shown that they now focus on the United States as the main target of their own diplomatic efforts (perhaps in part as a result of the failure of their 1983 campaign aimed at Western Europe in order to prevent the American deployments). In moments of candor, the Russians have made it clear to Western visitors that Washington was considered to be their only worthwhile partner (or rival). Soviet courting of West European countries has been a way of trying both to weaken, and to gain the attention of, the United States (a strategy that worked rather well in the 1960s and early 1970s). President Mitterrand's visit to Moscow—his first meeting with the top Soviet leaders since his election in 1981—showed both France's concern to maintain, or resume, a West European dialogue with Moscow now that the missile crisis was over, and profound Soviet indifference to French concerns. (The French president's references to Soviet dissident Andrei Sakharov and human rights played well in Paris but were routinely censored in Moscow.)

Moreover, the Soviets demonstrated once more their grip over Eastern Europe. Clearly, they were worried by changes in what had been one of their most orthodox and efficient satellites, the G.D.R. This model communist state now seemed to have rediscovered that it was German first (and, as such, the country of Luther and Bismarck) and communist second; the links between the two Germanys intensified (with the East Germans referring to two states rather than two nations, and talk about the German nation coming from both sides). There were some embarrassing defections from East to West Germany. Such changes appear to have jolted Moscow, just as the United States was jolted, in 1983, by the rise of the peace or anti-nuclear movement, with its anti-NATO and anti-American fringes, in West Germany. But there the parallel ends: in the West, it was not American pressure, but the determination of popularly elected governments in West Germany, Britain and Italy that prevailed. In the East, it was Soviet pressure that forced Bulgaria's Todor Zhivkov and the G.D.R.'s Honecker to cancel their planned trips to Bonn in September.

The East Germans used as a pretext for the cancellation some intemperate statements by West German politicians about the G.D.R. and reunification; but the fact that the visit was presented as postponed, rather than permanently cancelled,

indicates that a subtle tug of war persists between Moscow and its ally.¹ Bonn's attempt in November to pursue an active policy of presence in Eastern Europe received another setback when Foreign Minister Hans Dietrich Genscher, at the last minute, canceled a visit to Warsaw. This was apparently because, had he accepted Polish restrictions on his visit, he might have been seen as acquiescing at least tacitly to the claims of General Wojciech Jaruzelski's regime to legitimacy—just when the recent murder of Father Jerzy Popieluszko by Polish secret police agents had aroused great indignation in the West.

III

Western Europe has also, throughout the year, experienced another familiar frustration or humiliation: dependence on the United States, coupled with the difficulty of exerting strong influence on its policy. Concerning East-West relations, the interminable American election campaign made it obviously impossible for West European leaders to do much more, when they met with President Reagan, than encourage him in his new improved disposition toward the Soviets. If, on the whole, they probably preferred his reelection to the election of Walter Mondale, who was much more firmly committed to arms control, it was mainly because they had learned to dread above all else the discontinuity of American policy, and because Mondale had been the vice president of an Administration that had repeatedly made West European leaders seasick.

But their pleasure in seeing President Reagan move more vigorously, at least in words, toward serious arms control talks was accompanied by two fears—one minor and sotto voce, the other increasingly loud and clear. The minor concern was sparked by American statements about the possibility of stopping the new INF deployments, or even canceling them, if the Soviets made adequate concessions. The possibility of a fusion between the Strategic Arms Reduction Talks and the INF talks makes a global deal of this sort more plausible; and such a prospect always rekindles the West European fear of "decoupling," given the Soviet ability to hit targets in Western Europe with or without SS-20s, while Western Europe can only reach

¹ In the early 1970s, Henry Kissinger, worried by the Ostpolitik of Willy Brandt, had decided to open his own channel to Moscow, and today the Soviets are resuming their conversations with Washington. But Kissinger had merely tried to squeeze the Ostpolitik into the framework of his own design; he had not tried to stop it altogether.

Soviet targets from submarines assigned to NATO, or by INF on European soil.

Much more important has been the West European anxiety about "Star Wars"—about the Soviet-American contest in anti-satellite warfare, and above all about President Reagan's plan for an anti-ballistic defensive system. His Strategic Defense Initiative had been announced in March 1983. By 1984, the West Europeans began to realize that there was considerable momentum behind it in the United States and that they could count neither on technical uncertainties nor on the program's astronomical costs to kill it. They worried for a variety of reasons.

First, they thought that the SDI would make arms control negotiations even more difficult. Although the Soviets clearly wanted the United States to stop the program altogether, American officials—especially in the Pentagon—made it increasingly clear that it was not a mere bargaining chip aimed at getting the Soviets, at long last, to accept drastic reductions in their "heavy" intercontinental ballistic missiles. If this was the case, Soviet attempts to defeat the program's purposes by multiplying offensive weapons, as former Secretary of Defense James Schlesinger predicted in October 1984, would be far more likely than arms control deals. Moreover, the Anti-Ballistic Missile Treaty would be the obvious victim of these deadlocks and developments.

Second, crisis instability would increase. The period of buildup of the American defensive network would be highly dangerous, since the technologically less advanced Soviets might be tempted to strike first in a crisis, before their missiles became ineffective. Furthermore, should the United States succeed in developing a reasonably effective network protecting their own ballistic missiles, at a time when the huge Soviet land-based missile force has become vulnerable to American weapons (MX, Trident II and bombers) and is not yet similarly defended, might it not also be tempted to strike first in a crisis?

Third, if both sides built extensive defenses (because the Soviets caught up again, or because the United States, having attained technological perfection, followed President Reagan's unlikely suggestion of sharing its miracle cure with its chief adversary), would not the whole current effort of the British and French to modernize their nuclear forces, in order to give them a counterforce as well as a countercity potential, have been undertaken in vain?

Fourth, could the United States—despite its promise to try to do so—actually extend its defense the way it has extended deterrence (against Soviet missiles aimed at Europe), given the very short time it would take for Soviet missiles to reach their targets in Western Europe, and the fact that there are no obvious defenses against non-ballistic missiles?

Fifth, and perhaps most important, the perennial fear of “decoupling” was revived by the “Star Wars” program—immediately after INF deployments intended to dispel it. There is a profound conflict of nuclear philosophies here. On the whole, West European strategic experts still believe—some passionately—in the efficacy of nuclear deterrence (the success in France of André Glucksmann’s book *La force du vertige*² shows both how strong and how unsubtle, not to say uninformed, this faith still is). An American repudiation of deterrence in favor of defense—with the arguments that the former is morally obnoxious, since it entails a threat to murder millions of people, whereas the latter offers security through the mere destruction of lethal machines, and that the United States would thus regain its invulnerability, the one historical factor that sets it most apart from Western Europe—makes West Europeans wonder whether a “safe” America would be willing to take any risk at all for the defense of outlying areas. To the argument that American invulnerability should make the United States more rather than less willing to help its allies, West Europeans answer that if both superpowers have defensive systems, NATO’s strategy of nuclear response capable of hitting the U.S.S.R. (either from Western Europe or from other parts of the world) would obviously collapse. As a consequence, Europe would be doomed to the kind of conventional war, or of “limited” nuclear war, that has been its nightmare and that extended nuclear deterrence was intended to prevent.

These are the fears; American reactions to them have not been very reassuring.³ The West Europeans, therefore, will watch with anxiety the outcomes both of the domestic debate in America, which finds scientists, strategists and members of Congress deeply divided, and of the upcoming Soviet-American arms control talks. The French proposal, presented at the U.N. disarmament conference in Geneva in June, for a five-year moratorium on antisatellite and anti-ballistic systems and

² André Glucksmann, *La force du vertige*, Paris: Bernard Grasset, 1983.

³ See David Yost, “Les inquiétudes européennes face aux BMD,” *Politique étrangère*, February 1984, pp. 381–400.

on tests of such systems, was not well received in Washington⁴—but it has not affected U.S. strategic policy.

At NATO Council meetings, West Europeans and Americans have reaffirmed the organization's traditional doctrine and its mix of nuclear and conventional forces for deterrence and defense. But the West Europeans have not been able to reverse or slow the American trend away from what could be called heavy reliance on threatening the first use of nuclear weapons for deterrence. Gradually, they have come to realize that the famous 1982 *Foreign Affairs* article, in which the "Gang of Four" argued for no first use of nuclear weapons, was not an exceptional viewpoint but the spearhead of a trend, and that between the positions of a Robert McNamara or a George Ball, and those of a Henry Kissinger or a General Bernard Rogers, there were important areas of agreement, that can be summed up, doctrinally, as "no early first use," and, operationally, as greater reliance on conventional defense.⁵

With some important exceptions—in one faction of the West German Social Democratic Party (SPD), for instance—both the West Europeans who remain attached to 1967-vintage "flexible response," and those eager for some form of nuclear disarmament in Europe, remain extremely skeptical about the credibility of conventional forces as a deterrent, and about the chances of a successful non-nuclear defense if such deterrence fails—given both the imbalance of forces, and the advantages for the offensive even when forces are more evenly matched.

Nevertheless, in three areas, West Europeans have in effect yielded to their protector's wishes. In November, NATO's defense planning committee adopted a new directive on "follow-on forces attack," a variant of the air-land battle concept adopted by the American army. FOFA envisages, in case of war, a swift counterattack against the successive waves of enemy forces behind the front line's first wave. West Europeans have misgivings about adopting tactics—such as deep strikes—that the Soviets might deem provocative and be tempted to thwart by preemption.

They also fear that, as Pierre Lellouche put it, "by postponing the crossing of the nuclear threshold the Alliance risks removing from the minds of Soviet leaders the supreme nuclear

⁴ See the author's rationale in *ibid.*, pp. 377–80.

⁵ See for instance the report of the Aspen Institute International Group, "Managing East-West Conflict," November 1984.

threat, that has held them back until now.”⁶ This new directive entails greater reliance on new, precise and highly sophisticated non-nuclear weapons. These are arms which the United States is able to develop more quickly and efficiently than the West Europeans, who see this as another way for the United States to assure the domination of its own war industry within NATO and to prevent the “market” of weapons in the alliance from becoming less uneven. (They also wonder how effective high-technology systems would prove to be on a battlefield, and how long NATO’s advantage over the Warsaw Pact’s weapons will last.)⁷

Finally, the NATO defense ministers’ decision, in Brussels in December 1984, to approve a \$7.85-billion program for improving NATO’s infrastructure over the next six years and increasing ammunition stocks, was clearly an effort at placating those Americans—such as Senators Ted Stevens (R-Alaska) and Sam Nunn (D-Georgia)—who accuse the allies of not doing enough for the conventional defense of Western Europe.

But if within NATO the West Europeans had to yield, however grudgingly, to American preferences, their relations with the United States in other geographical areas and over other issues were marked, as usual, by unevenness: their difficulty in affecting American policies, and the far greater American ability to affect their own.

In the case of the Middle East, the French, Italians and British had sent contingents to the predominantly American multinational force that had returned to Lebanon after the massacres in the Palestinian camps in September 1982. But the rationale for the force was never the same for all the allies. On the whole, the three European contingents were presented as playing a primarily humanitarian role—preventing new massacres in the camps (which were in the Italians’ zone), helping life go on as normally as possible in the divided city of Beirut. The mission of the American force, however, came to be described in increasingly political terms during the second half of 1983; its purpose was to assist Amin Gemayel’s government in restoring order and unity—and so the enemies of that government came to be seen as America’s enemies. This put the United States on a collision course, not only with the

⁶ *Le Point*, November 19, 1984, p. 30.

⁷ See the critical remarks by David Greenwood, “Strengthening Conventional Deterrence,” *NATO Review*, August 1984, pp. 8–12.

Muslim majority in Lebanon—or at least with its most militant elements—but also with Syria.

Once more, an American policy was marked by unreachable stated ends, inappropriateness of the means (1,600 marines, backed by the fleet) to those ends, and an inability to choose between fighting the enemy and accommodating him (each alternative being seen as inappropriate). The situation became untenable after the October 1983 terrorist attack on the Americans and the French. When the position of the Lebanese army worsened and the government began to crumble, and as U.S. opposition to the continued presence of the beleaguered American force increased, the President ordered a withdrawal first from U.S. positions on land and soon thereafter from Lebanon altogether. This put the European contingents in an impossibly exposed situation—and left the Gemayel regime with no other alternative than appeasing Syria. The Italians, with relief, followed the Americans out, accompanied by the small British force. A few weeks later, the French withdrew also.

In Western Europe, the judgments passed on America's performance were severe. Once more, the United States was seen as being without a policy in the Middle East—and all its allies could do was deplore this fact and (at the EEC Council meeting in Dublin in December) call for new attempts at resolving the Arab-Israeli conflict. In the absence of any American initiative, President Mitterrand pursued his own effort at evenhandedness by visiting President Hafez al-Assad in Syria and receiving Israeli Prime Minister Shimon Peres in Paris. It was a familiar drama: the Europeans were telling Washington how to use the key that could open the door to a settlement, but Washington fumbled and waited.

The same European inability to affect American actions was evident in Central America. West European hostility to the policies of the United States diminished somewhat: the election of José Napoleón Duarte to the presidency in El Salvador, followed by a series of visits by Duarte to European capitals, was interpreted as a defeat for the opposition in the civil war, and as a chance for a peaceful solution. The refusal of the Sandinista regime in Nicaragua to accept the conditions on which its opponents would agree to take part in the November election, and its refusal to postpone this election so as to allow Arturo Cruz to be a candidate, increased many West European officials' disenchantment with the Sandinista regime—especially since the Socialist International, and Willy Brandt most

strenuously, had tried to negotiate an agreement between the Sandinistas and their political opposition.

Nevertheless, American policy toward Nicaragua continued to be judged devious and wrong. When it was revealed that the United States had, directly or indirectly, mined Nicaraguan waters, the French foreign minister let it be known that France would be willing to help remove these mines, if another nation joined the effort. Nothing came of the offer. American objections to the Contadora Group's plan, after the Sandinistas' acceptance of it, contrasted with the endorsement, a few days earlier, of the plan's spirit by the foreign ministers of the Community plus Spain and Portugal, and with the willingness of six of these 12 countries to endorse all the plan's provisions. In addition, Régis Debray, an aide to the French president, has acted as mediator between the Sandinistas and some of their Miskito Indian opponents. Here again, the allies' reservations appeared to have little influence on the Reagan Administration's continued support of the contras, or counterrevolutionaries. U.S. reluctance to get involved more directly in military operations was bred primarily by domestic considerations.

The American ability to affect an ally's policies, however, was demonstrated rather startlingly when a State Department spokesman, in November, revealed American intelligence information about the continuing presence of Libyan troops in northern Chad, two months after a French-Libyan agreement on mutual withdrawal, just a few days after a French communiqué stated that the agreement had been carried out by both sides, and at the same time as President Mitterrand was flying to Crete to meet Colonel Qaddafi. The American revelation led to a cascade of contradictory statements from France, and to an exacerbation of the French-American disagreement about Libya. As Foreign Minister Claude Cheysson, during a short visit to Washington in November, explained: to the French Qaddafi was a "fact" one had to live with and understand; to the United States he was clearly a trouble-maker, terrorist and foe. This is precisely why Washington must have chosen to reveal Libya's violation of the September deal—at the cost of embarrassing an ally, of damaging Mitterrand's reputation for foreign policy success, and of contributing thereby to Cheysson's removal as foreign minister. Cheysson had been (as usual) particularly vocal in defending an agreement which his president and indeed his successor at the Quai

d'Orsay, Roland Dumas, had been just as instrumental as he in negotiating.

Finally, West European inability to influence the United States, even when European interests were very much at stake, persisted in the realm of economics. The West Europeans continued to deplore America's high interest rates throughout 1984, which were draining European capital to the United States at a time when the need for new investments in the ailing European economies was high, and obliging European governments, in order to limit this drain, to keep their own interest rates high, which in turn slowed down their recovery.⁸ They also complained about the rate of the dollar—whose value increased by almost 20 percent in 1984—which increased Europe's import bills, especially the cost of imported oil. They watched with anxiety the mounting American deficit, which they—like many American economists—interpreted as one reason for the high U.S. interest rates and as a threat to a recovery which had barely begun to be beneficial to the Europeans, insofar as the demand for imported goods (made much cheaper by the rate of exchange) had risen in the United States.

They were also aware of the protectionist pressures fueled, in the United States, by the huge deficit in the balance of trade—a deficit caused by this flood of imports and by the difficulties experienced by exporters because of the excessively costly dollar. The perpetual quarrels over steel exports from the Community to the United States continued throughout the year. In January, the Community announced trade sanctions in retaliation against recent American restrictions on specialty steel imports; in November, after months of unsuccessful talks, the United States blocked imports of pipes and tubes until the end of the year and imposed an import quota for 1985 (5.9 percent of American consumption, compared to 14 percent in 1984). The EEC has complained to the General Agreement on Tariffs and Trade over the matter, and the new French president of the EEC Commission, former Minister of Finance Jacques Delors, has vigorously denounced the "aggressiveness" of American policy.

IV

Such were the main European frustrations in dealing with the superpowers. Two other series of frustrations will be men-

⁸ One countermeasure was taken by Bonn and Paris in October: after the United States decided in June to lower the tax on bonds bought by foreign investors, the West German and French governments decided to do the same (see *Le Monde*, October 5, 1984, p. 1).

tioned only briefly, because they do not affect U.S.-European relations directly. They are nevertheless of great importance, insofar as they affect most assuredly the relative weight of the European countries in their uneven alliance with the United States and their performance on the world stage.

The first series concerns the difficulties of the Community. Many factors have contributed to the desire for a European *relance*: the frequent impotence of the separate West European nation-states in world affairs; their continuing dependence on an ally whose policy they cannot shape as they would like, and who was widely perceived (especially in France) as tempted to withdraw into "Fortress America" or to turn toward the Pacific; their awareness of the technological challenge of Japan and of a resurgent America; and their experience of the obstacles to an adequate response which result from the fragmentation of Western Europe. During the six months of French presidency of the EEC Council (January to June), Mitterrand was particularly active in this respect, going so far as to endorse, in May, the "spirit" of the Altiero Spinelli draft treaty of European Union which the European Parliament had endorsed in February. A new—one more—committee of wise men was then set up by the EEC Council in June, and it reported to the Council just before the Dublin summit meeting in December.

Two things characterize the EEC's efforts. The first is their timidity. The wise men's most substantive proposal is something Mitterrand had also endorsed: reserving the need for unanimity to questions deemed of "vital interest" by a member. This is hardly revolutionary, nor much of a departure from the famous "Luxembourg compromise" of 1966. Moreover, several of the EEC's members—not surprisingly, Britain, Denmark and Greece—have expressed reservations about the report, and all of its provisions were already accompanied by reservations from among the wise men. We are very far from the spirit of Messina in 1955.

Second, one of the reasons institutional progress has not received much attention by the West European leaders is the Sisyphus-like daily life of the EEC. From one viewpoint, 1984 was a good year: the most irritating obstacle to progress, the dispute over Britain's financial contribution, was finally removed, at the Fontainebleau summit meeting in June, when Thatcher agreed to a lesser return of "her" money than she had insisted on at the previous meeting in March. Another highly contentious issue, the reform of the Common Agricultural Policy, was also tackled. EEC members took, in the spring,

measures to reduce the production of milk, and, in December, measures to reduce the production of wine—despite strong domestic opposition in several countries. Nevertheless, these reforms were achieved in a climate of constant bickering, with the British threatening to block the budgetary process if the costs of the CAP continued to rise, the European Parliament rejecting as insufficient the budget presented by the Commission, the French minister of agriculture threatening to resign, and so forth.

In sum, no sooner was one thorn removed than another would appear: the latest being the Greek request for Community financing—to the amount of \$3.75 billion—of “Mediterranean integrated programs,” and its refusal to accept the enlargement of the Community (i.e., the entry of Spain and Portugal by January 1986, which the agreement on wine should have made possible) until this request has been accepted by Greece’s partners.

In a couple of years, the issue of the British contribution will arise again. The lesson of the past ten years is clear: the price of broader membership is a far more contentious process of decision, and harder bargaining among divergent interests rather than “upgrading the common interest,” to use Ernst B. Haas’ concept. This is not quite the same as paralysis—the EEC, in 1984, adopted the so-called Esprit program for the financing of “high tech” efforts—but progress is excruciatingly slow and modest. In the meantime, all the factors recently listed by *The Economist* to explain Europe’s lag in advanced technology—what it calls “the uncommon market”—persist: continuing obstacles to intracommunity trade, government procurement that discriminates against foreign enterprises, legal obstacles to innovation, barriers against the mobility of workers, etc.⁹

Some progress was also noticeable in French-German cooperation: new bonds between the two nations that remain the core of the EEC, and whose agreement is indispensable for progress of any sort in the Community. Mitterrand and Kohl reaffirmed French-German reconciliation in a ceremony at Verdun (partly to assuage bruised feelings in the Federal Republic, caused by Kohl’s absence from the June 6 Normandy celebration). The two countries agreed on the co-production of many weapons, the most important being a military helicop-

⁹ “Europe’s Technology Gap,” *The Economist*, November 24, 1984, pp. 93ff.

ter. And yet, here again, this was only an inch, rather than the mile some had hoped for.

The most impressive call for cooperation came from former Chancellor Schmidt, in his speech to the Bundestag, or parliament, on June 28, 1984. He suggested that France extend by unilateral declaration its nuclear deterrence to West Germany, and that both nations raise a total of 30 divisions (18 German and 12 French) for the conventional defense of Europe; West Germany would help finance the French conventional effort, and the United States could thus reduce its military presence in Western Europe. This would have been a major step toward the situation advocated by Zbigniew Brzezinski in order to reverse or to transcend Yalta: a situation in which Russia is faced, "West of the Elbe, rather less by America and rather more by Europe."¹⁰ And yet, Mitterrand, the very man who after coming to power had asked for "escape from Yalta," made no reference to Schmidt's call. The speech was barely discussed in France—even though the French nuclear force, deemed in the past too small to cover any territory beside France's, will be much stronger in coming years, in part because French submarines are being equipped with multiple independently targetable reentry vehicles (MIRVs).¹¹ Indeed, as the strength of the peace movement in West Germany seemed to decline, and the rapprochement between the two Germanys slowed, French enthusiasm for French-German military togetherness diminished.¹² (Intra-German rapprochement had clearly bothered the French, although, in this instance, Cheysson had been more discreet in his preference for a divided Germany than his Italian colleague, Giulio Andreotti.)

The second series of intra-European frustrations concerns domestic politics. After all, what has made European unity more difficult is the pull of domestic issues and crises on the attention of statesmen—especially in a period of economic and social difficulties. In 1984, the three most important members of the Community have had their share of troubles. In England, the interminable and often violent miners' strike, and Irish Republican Army terrorism, without any solutions in sight, have tested and strengthened Thatcher's intransigence. In

¹⁰ Zbigniew Brzezinski, "The Future of Yalta," *Foreign Affairs*, Winter 1984/85, pp. 279–302.

¹¹ Cf. *Le Monde*, October 11, 1984, p. 11.

¹² Stanley Hoffmann, "Gaullism By Any Other Name," *Foreign Policy*, Winter 1984/85, pp. 38–57.

West Germany a series of financial scandals have seriously weakened the governing coalition—the Christian Democratic president of the Bundestag, Rainer Barzel, had to resign, shortly after Otto Graf Lambsdorff, the Liberal minister of economic affairs, was forced to do so. The Greens have continued to benefit from the discrediting of the more established parties, but still hesitate to become a party like the others, and to accept SPD offers of cooperation. In France, 1984 has been a year of rising unemployment, industrial bankruptcies, political mistakes and demoralization in the Socialist Party, the breakup of the Union of the Left—and the growing unpopularity of politicians, which has benefitted not, as in West Germany, a predominantly leftist movement, but a racist and nationalist extreme right. Coalitions remain brittle in Belgium and Holland. The one island of stability in 1984 has been Italy—except for a number of scandals, a resumption of terrorism, and the war between the authorities and the Mafia, into which much of the state's energies have gone.

It is not surprising, in such circumstances, that many West Europeans (mainly in France) should have looked with some envy at the American scene even when (unlike the majority of the French¹³) they did not take as gospel truth President Reagan's vision of a revitalized, confident America, the land of grand opportunities and patriotic strength.

V

The failure of the West Europeans to build a collective entity capable of "speaking with one voice" has long since been accepted as a fact by American policy and opinion makers. Indeed, relief often seems to prevail over regret in Washington: when the Europeans act as a unit, as in trade, or express views that differ from those of the United States, as in the Middle East, America's reactions have tended to range from anger to derision. However, a more or less complacent resignation is far from being America's only response. Frustration could be found on this side of the Atlantic also, in 1984.

Sometimes it was caused by the actions (or delaying tactics) of separate allies. The most annoying—to the United States as to the West Europeans—came from Andreas Papandreou's Greece. The Greek premier often seemed deliberately offen-

¹³ On the French public's preference for Reagan and new pro-Americanism, see the polls reported in *Le Monde*, November 6, 1984, p. 1.

sive, whether in calling for demilitarized zones in the Balkans during a visit to Bulgaria; rejecting the conclusions reached in the West and by the International Civil Aviation Organization about the Soviet downing of the South Korean airliner in 1983; certifying the patriotic motives of General Jaruzelski; or refusing to participate in NATO maneuvers because of a controversy with Turkey over Lemnos. However, the essentials—from the U.S. standpoint—have been preserved: America's bases in Greece.

One could argue that the antics of a Greek leader whose anti-Americanism has been well known for years have been less troublesome than the decisions of Belgium and the Netherlands to postpone their acceptance of 48 cruise missiles each, as agreed in the NATO plan of December 1979. The Belgians, who were supposed to make up their minds by the end of 1984, have given themselves three more months, and the Dutch, after having envisaged a bewildering variety of options, decided not to decide before the end of 1985. The prime ministers of both countries have had to move cautiously for domestic political reasons, and the Dutch foreign and defense ministers have so far resisted both the pressure of American officials and the sharp criticism of Joseph Luns, until recently the Dutch secretary general of NATO.

Sometimes what has frustrated American statesmen has been the collective will of the allies. Reformed or not, the Common Agricultural Policy remains highly protectionist—or, as the Europeans say, preferential—and the American secretary of agriculture has repeated his determination to challenge the EEC's share of the world market of agricultural products. Above all, the United States, despite its success in dragging its NATO allies toward a strategy less dependent on the early use of nuclear weapons, has not been able to push them very far in the direction of a major effort at strengthening their conventional forces. The earlier targets, or commitments, of a three-percent yearly increase have not been met, and West European governments have been unwilling either to worsen inflationary pressures by augmenting their defense budgets without cutting social expenditures, or to reduce the latter at a time of rising demands for welfare and unemployment benefits. The French, who had pointed with pride at their military efforts, have now imposed "rigor" on their defense as well as their civilian budget.

A study of West European opinion has shown the public's

ambivalence: "support for the general concept" (of defense) is tempered by "skepticism about the consequences . . . in this case the need to have the means to defend oneself against attack or to maintain a balance of power." There is "a clear preference within most Western publics for arms control over armaments or new weapons."¹⁴ Their deep-seated feeling that preparing more systematically for conventional defense reduces deterrence (and will not in any case redress the balance that favors the Warsaw Pact's forces), and deep reluctance toward any offensive strategy that could be deemed provocative by the U.S.S.R. and help to consolidate the Eastern bloc, have often exasperated Americans.

For Americans question a reliance on nuclear deterrence that is increasingly seen as either an implausible bluff or, if it fails, a formula for global disaster, and they believe that conventional deterrence can work, especially if it is based on a strategy that threatens highly valued Soviet targets. West European assertions that there is no alternative to the NATO strategy of the 1960s¹⁵ are often interpreted on this side of the ocean as a way of obliging the United States either to take excessive risks or to provide the largest share of conventional forces in order to diminish those risks.

These frustrations were sometimes well hidden by a facade of harmony, as at the last NATO Council meeting of 1984, in Brussels in mid-December—largely because the public focus was on the resumption of arms control. This harmony is likely to be fractured if the new talks fail or go nowhere, and West Europeans start, once more, to prod Washington toward concessions, while Washington in turn reminds them of the need for greater strength. In 1984, American pressure for greater European conventional efforts has been mild, largely because foreign policy was not the priority in an election year, and the President had to campaign as a man of peace and as the leader of a united alliance. Although Defense Secretary Caspar Weinberger succeeded in blocking a sale of computers to Romania, which would have rewarded that country's refusal to join the Soviet-led boycott of the Olympics, the United States lifted sanctions on Poland and its veto of Poland's bid to

¹⁴ Gregory Flynn and Hans Rattinger (eds.), *The Public and Atlantic Defense*, Totowa (N.J.): Rowman and Allanheld, 1984, pp. 371, 387.

¹⁵ See for instance Wilfried Hofmann, "Is NATO's Defense Policy Facing a Crisis?" *NATO Review*, August 1984, pp. 1–7.

rejoin the International Monetary Fund, and carefully avoided new disputes with its allies over technology sales.

Patience was not America's only overt response, however; there were also flashes of anger. I have mentioned America's role in Mitterrand's embarrassment over Chad. Earlier, departing Under Secretary of State Lawrence Eagleburger had blasted the Europeans before a congressional committee for their sluggishness, their tendency to contemplate their navels, and their increasing irrelevance—a blast that was particularly striking given Eagleburger's record as “pro-European.” A few months later, in June, came the showdown over Senator Nunn's amendment, which linked the size of the American forces in Western Europe to that of the allies' defense effort; the amendment was defeated, but 41 senators voted for it.

These two episodes provoked a rash of anguished comments in Western Europe about the push of neoisolationist forces in the United States, and about the shift of American priorities from Europe to the Pacific—a move which Eagleburger described in his statement. Such a shift seemed plausible, if dangerous, to many Europeans, less because of pressing strategic problems in the Pacific than because of the growing importance of American trade with Japan and the other rising economic centers of power in East and Southeast Asia, and because America's political class—especially in the Republican Party—seemed to be moving from the East Coast to the West.

Still, anger was not the dominant American emotion. One reason for this, and also for the combination of U.S. indifference to and patience with West European moves and grievances, may well have been what appears to this observer as the main characteristic of Reagan's foreign policy (by which I mean defense as well as diplomacy): unilateralism.¹⁶ The Administration clearly could not be called isolationist, given its commitment to the defense of American interests abroad and to a worldwide contest with Soviet expansionism and ideology—but it was certainly (mostly for domestic reasons) cautious. Above all, it was determined to act on its own, without being tied down by international organizations (as evidenced by the U.S. exit from the United Nations Educational, Scientific and Cultural Organization, deplored by all of Western Europe except Thatcher's Britain), international law (seen in the inva-

¹⁶ I have discussed this more fully in “Cries and Whimpers: Thoughts on West European-American Relations in the 80's,” *Daedalus*, Summer 1984, pp. 221–52, and in “Semi-Detached Politics,” *The New York Review of Books*, November 8, 1984, pp. 34–6.

sion of Grenada and the moves against Nicaragua), or allies and friends.

The American withdrawal from Lebanon, behind a final volley of gunfire; the cavalier attitude toward the Contadora Group; the subordination of international economic policy to the priorities of domestic economic policy (except for the rescue of debtor countries—but even there a major concern was the U.S. banking system); the persistence of “constructive engagement” in southern Africa despite skepticism in Europe and hostility in much of Africa, not to mention protests in the United States; the drive toward “Star Wars” despite the allies’ misgivings and concerns; continuing support for Augusto Pinochet in Chile and Ferdinand Marcos in the Philippines despite the warnings of neighboring countries—all of this formed a pattern. That pattern is likely to last, not only because of the reelection of the President, but also because of its congruence with the mood of the public and the shifts in America’s political and business elites.

Thus, at the end of a year that was not portentous, and that ended with the Atlantic allies more in harmony than in agony, the picture is not very reassuring. Behind the facade, there is a good deal of drift. On one side, we find a collection of West European nations that cope bravely, if not always well, with their problems. But they appear as incapable as ever of transcending petty difficulties and of building the entity which both descendants of Jean Monnet and overt or closet disciples of Charles de Gaulle, eager to recreate a Europe from the Atlantic to the Bug, have been summoning in vain.

On the other side, we see a United States that appears to have taken a holiday from the constraints of diplomacy, whose leaders—below the level of a smiling President whose impetus and energy continue to be focused more at home and in outer space than abroad—quarrel openly about the proper conditions for imposing its will, and which now proposes to sail alone, although cheered from the shore by the allies, toward the Soviet Union. But the seas are uncharted and rough, and the crew is divided. A mix of impotence and solidarity *quand même*, on one side; a mix of illusions of omnipotence and uncertainty about how and why to apply power, on the other: this is how the alliance looks, at the end of 1984. It is not an unfamiliar sight.

STABILITY IN ASIA

East Asia was a stable region in 1984, marked by general progress toward the goals laid down by the various national leaderships. In Japan, Prime Minister Yasuhiro Nakasone's election to a second two-year term signified continuity in foreign policy and particularly in the partnership between Washington and Tokyo. Not only is the close security relationship with the United States being maintained; Japan also began significant movement toward a modest but increasing political role in global affairs.

In China, the year saw a further blossoming of major economic reform. The opening to the West identified with the durable Deng Xiaoping and his protégés was strengthened. The Sino-British agreement on the future of Hong Kong (signed December 19, 1984) added to the area's stability by reconciling, in a manner apparently acceptable to most of Hong Kong's residents, two imperatives: China's insistence on unquestioned sovereignty after 1997, and safeguards for the territory's present capitalist economy and social structure with their untrammelled links with the outside world.

Even on the Korean peninsula, where the bellicosity and unpredictability of President Kim Il Sung's North Korea poses a perennial threat to South Korea, and hence to the geostrategic frontier between the communist sphere and the Western alliance, 1984 brought signs of another gingerly rapprochement. There were even tenuous indications that North Korea might be considering a Chinese-type economic opening to the West.

In the South Pacific and Southeast Asia the scene was more troubling for American policy. President Ferdinand Marcos has been unable to lift the Philippines out of political turmoil; communist guerrillas gained ground in the provinces while the national armed forces showed signs of deteriorating discipline. The economy continued its downward spiral. The Philippines confronts American policymakers with uncomfortable choices.

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The conflict continued in Kampuchea, threatening at the turn of 1985 to spill over into neighboring Thailand. And a new problem emerged for American policy in Southeast Asia. The July 1984 election in New Zealand brought back to power the Labour Party under a new prime minister, David Lange, campaigning on a pledge to refuse port calls by nuclear-armed U.S. vessels. Unless some compromise could be constructed, New Zealand's membership in ANZUS (the Australian-New Zealand-U.S. security pact) appeared to be at risk.

II

The alliance with Japan remained the cornerstone of American policy in Asia. Ronald Reagan's arrival in the White House in January 1981 had been greeted with suspicion by the two most important capitals in East Asia—Tokyo and Beijing. How this sentiment gradually changed in Japan, as in China, is a story with twists and turns. In Tokyo it resulted from the advent of an active internationalist, Nakasone, to the premiership at the end of November 1982.

Prior to Nakasone, Japan's relations with the Reagan Administration had been rocky. Tokyo had piled up increasing surpluses in its trade balance with the United States. Japan was perceived in Washington as enjoying a "free ride," because its defense spending was extremely modest (mandated at less than one percent of GNP, compared to five-and-a-half percent for the United States). It seemed that Japan was keeping its own domestic market tightly closed to foreign goods and services while flooding overseas markets, especially the United States, with manufactured goods that took jobs away from domestic workers.

When Nakasone succeeded Zenko Suzuki as prime minister, he immediately set about trying to change these perceptions. First, he paid a lightning visit to Seoul early in January 1983, both to make amends with a close neighbor unforgiving of Japan's harsh imperial past, and to show that he shared Washington's concern over Korean security. He thus created a favorable prelude to his visit to Washington later that same month. In the United States he spoke of Japan as an "unsinkable aircraft carrier" and quickly established a warm personal relationship with the American President.

Although congressional resentment over Japan's mounting trade surplus was largely unappeased, the Pentagon and the State Department were beginning to reevaluate the roles of

American bases in Japan and Japan's own modest Self-Defense Forces, in light of the constant strengthening of Soviet naval and air forces in Northeast Asia and the Pacific. This sense of a new importance to the partnership with Japan was reinforced when George Shultz succeeded Alexander Haig as secretary of state in July 1982. In contrast to the supposed European orientation of Haig, the former NATO commander, Shultz had been involved with Asian affairs for many years, both in and out of government.

The relationship between Reagan and Nakasone flourished during 1983, especially during the Williamsburg Summit of the world's seven leading industrialized democracies. In that colonial American setting, Nakasone strongly supported the deployment of American intermediate-range nuclear missiles in Europe and was active in drafting the political declaration on that subject produced by the summit seven. This represented a departure, in that Japan associated itself with the European-American security relationship.

That was in June 1983. In November President Reagan visited Japan on an enormously successful public relations exercise. Japan's trade surplus with the United States (which would total \$19.3 billion in 1983) was not forgotten, of course, but the United States' own economic recovery was by then robust. Some in Washington believed that high imports helped to keep inflation down, and Nakasone's own policy of opening the Japanese market and promoting imports signaled his good intentions. These factors kept the lingering trade issues from exploding.

Thus, U.S.-Japanese relations seemed in good shape as 1984 opened, and they remained good throughout the year. Japan's trade surplus was expected to exceed an unprecedented \$30 billion by the end of the year, but, if the U.S. election was any indicator, it was yet another one of those issues about which there were no popular passions. Frictions over trade are far from dead; U.S. Ambassador Mike Mansfield was clearly worried. He characterized the state of affairs between Tokyo and Washington as a "lull before the storm," though he said in the same breath that the tie with Japan is "our most important bilateral relationship—bar none."

The Reagan visit to Tokyo in November 1983 was followed by a number of high-level meetings to consider trade and other frictions, with Vice President George Bush as coordinator on the American side. After intensive talks a series of agreements

was reached, the total effect of which was to open Japanese markets wider to U.S. beef and citrus products, and to ease testing standards, procurement methods and other practices that the United States complained were non-tariff barriers. Most important, the first substantive steps were taken toward opening Japan's capital markets and enhancing the yen's role as a freely convertible international currency.

None of these measures, however, was likely to make much of a dent in Japan's trade surplus with the United States. In testimony before a Senate committee on October 3, 1984, Commerce Under Secretary Lionel Olmer predicted that Japan's surplus would reach \$30.9 billion in 1984 and \$36 billion in 1985. A U.S. government interagency report to the Senate Foreign Relations Committee submitted November 1, 1984, said that although Japan had taken five successive market-opening measures between December 1981 and April 1984, "significant barriers to trade still remain [in Japan]."¹ The report cited unsolved problems in such areas as telecommunications equipment, import tariffs, agricultural products, communications satellites, tobacco, services and investment—in short, in nearly all areas of bilateral trade.

A festering sense of Japanese unfairness remained, therefore, in the American public consciousness. This was matched by an indignant perception on the Japanese side that high interest rates, spurred by the high U.S. government deficits, kept the dollar artificially high and attracted excessive imports. When signs appeared in the fall that the American economic recovery might be flagging, the tension only increased.

In defense relations, however, the picture was brighter—in part because of changing U.S. perceptions regarding the Soviet threat. For many years the Pacific theater was secondary to the Atlantic and to Western Europe in U.S. global defense planning against the Soviet Union. The increasing strength of Soviet naval forces in the western Pacific enhanced the value of American bases in Japan and of the Japanese islands which lie athwart the major straits controlling Soviet access to the Pacific and to the Okhotsk Sea—Tsugaru Strait between Hokkaido and Honshu, and Soya, or La Perouse, Strait between Hokkaido and Sakhalin.

Nakasone's consistent stance in favor of strengthening Japan's Self-Defense Forces has also helped. Despite austerity

¹ Japanese Government "External Economic Measures": U.S. Government's Assessment of Their Implementation and Impact, submitted by the Department of State.

budgets that held down increases in overall expenditure to 0.5 percent, the defense budget for 1983 was increased by 6.5 percent and for 1984 by 6.55 percent, to reach \$12.4 billion. Though still less than one percent of GNP, this gives Japan the fifth highest level of defense spending among the Western allies. Although Nakasone has pledged to keep spending under the one-percent ceiling set by the Takeo Miki cabinet eight years ago, rises in personnel costs are certain to make this goal impossible—if not in 1985, assuredly in 1986.

The one-percent-of-GNP limit on defense spending is a political barrier that opposition parties as well as doves within the ruling Liberal Democratic Party have accepted, against fears of a revival of prewar militarism. Even Liberal Democrat hawks generally agree that if the one-percent ceiling is to be breached, some new consensual limit on defense spending should be imposed, whether expressed in a percentage or some other terms.

To the Pentagon and Western defense policy makers the idea of a one-percent-of-GNP limit on defense spending seems ridiculous for a country with Japan's economic might. But in Japan, the "peace" constitution renouncing war and pledging not to maintain armed forces (imposed by General Douglas MacArthur after World War II) remains politically potent. Popular acceptance of the Self-Defense Forces (so named, in fact, to avoid the constitutional ban on "armed forces") depends in large measure on the perception that this force is small and nonthreatening. Successive polls show 80 percent of the people supporting the SDF at around its present size of approximately 245,000 men.

Western defense specialists point out, however, that even within the present budget of \$12–\$13 billion a more efficient and effective defense force could be organized. They note that the ground, air and maritime branches of the SDF are independent of each other, that the equivalent of the chairman of the Joint Chiefs of Staff is just that—a chairman—and that the Japanese are still in the very early stages of working on coordination with their American allies (although joint exercises with American forces are being held in increasing number). The defense minister is one of the least powerful of Japanese cabinet ministers and usually serves no longer than one year.

If Japan's major defense role is to protect its sea lanes out to a distance of 1,000 nautical miles, as former Prime Minister Zenko Suzuki pledged, then the major share of the defense

budget should go to the Maritime Self-Defense Force and its air arm, as well as to the Air Self-Defense Force. Both are in fact being strengthened, but at a much slower pace than Pentagon planners would like. American and Japanese defense planners say that the SDF as a whole lacks sustainability and therefore the capacity to respond to even the very limited scenarios that the SDF planners envisage. (Any major Soviet assault against Japan would require the immediate assistance of American air and naval forces under the terms of the 1960 U.S.-Japanese Mutual Security Treaty.)

Nakasone's domestic position is uneasy; he owes his office to the support of the controversial Tanaka faction, largest of the five major Liberal Democratic factions in the Diet (parliament), with one-third of the party's seats. Prime minister from 1972 to 1974, Kakuei Tanaka is still the most powerful politician in Japan, able to make or break governments by giving or withholding support. He is a convicted criminal, sentenced to four years in jail for accepting a bribe in the early 1970s. The power of his loyal faction arises not only from its size but also from the circumstance that, having no current candidate of its own for the party presidency, it can support whichever other faction looks most promising for its own interests.

Nakasone's dependence on Tanaka alienates the other factions. The Liberal Democrats did poorly in the general election of December 1983, largely because the public resented the continuing power of a convicted criminal. Nakasone was forced to issue a statement promising "to eliminate all so-called political influences coming from Mr. Tanaka." In fact, however, Tanaka's influence has remained so strong that the Nakasone cabinet is popularly known as "Tanakasone." Nakasone had to be reelected to his party's presidency by November 21, 1984, or he would have lost the premiership. He gained reelection for a second and final two-year term, but ended up in a seriously weakened position due to maneuvering among the factions. Many observers doubt that he can last out his full two-year term.

For the United States this means that the Reagan Administration will have to deal with a new Japanese prime minister two years from now, and perhaps much sooner. Nakasone's potential successors—Kiichi Miyazawa, Shintaro Abe or Noboru Takeshita, to name the most prominent—all have their own personal ties with the United States, and their policy stances on defense, trade and other issues of concern to Wash-

ington differ only in nuance from those of Nakasone. But none has Nakasone's flair for enunciating policy in terms immediately accessible to a Western audience; in addition, it takes time to establish a personal relationship with the U.S. President.

III

The latter half of 1984 saw a series of encouraging developments in Korean affairs. Japanese-Korean relations improved significantly under Nakasone; both Japan and China have encouraged North-South contacts. North Korea offered, and South Korea accepted, shipments of relief goods to help South Korean flood victims. Talks at Panmunjom between the two sides advanced from subjects like humanitarian exchanges and the Olympic games to more substantive economic issues. A shoot-out at the truce site on November 23 between North Korean and U.S. and South Korean units following the defection of a young Soviet attaché has beclouded the atmosphere but will not, in all probability, reverse the general trend of North-South talks.

Washington, like Tokyo, remains cautious about the ultimate intentions of North Korea's Kim Il Sung. China has made some effort to encourage change in North Korea, and Pyongyang has its own need to break out of isolation. What happened in 1984, excluding the isolated November 23 incident, seemed a welcome change from events such as the Rangoon bombing in 1983, which killed 17 high-ranking South Korean officials and caused nonaligned Burma to break off relations with North Korea.

As for South Korea, President Chun Doo Hwan's state visit to Japan in September was a success for both sides. Nakasone took considerable personal political risk to have Chun meet the emperor and to have the latter express, in however roundabout a manner, regrets for Japan's past harsh colonial rule. In Seoul, the resistance of students and others to President Chun sputtered along, though exiled opposition leader Kim Dae Jung said he hopes to return to his homeland from the United States in early 1985. Chun has not yet achieved the kind of grudging respect won by his assassinated predecessor, Park Chung Hee. But the South Korean economy continued to enjoy healthy growth and to benefit from informal and indirect trade relations with China routed either through Hong Kong or Japan. South Korea expects to host the Asian games in 1986 and the Olympics in 1988, the year in which Chun has pledged to step

down. (Under the present South Korean constitution, which Chun played a decisive role in drafting, he is limited to one seven-year term as president.)

American relations with South Korea are in good repair. President Reagan's endorsement of Chun has not backfired as did his public enthusiasm for Marcos in the Philippines. American troops continue to help guard the border with North Korea, but the easing of North-South tensions makes the old fear of a North Korean invasion seem less credible.

IV

For China, 1984 was a year of substantial achievement. There were bumper harvests for the fourth successive year, the fruit not only of good weather but of the economic incentives identified with Deng Xiaoping and his Politburo colleagues. Emboldened by these results, the Communist Party leadership unveiled sweeping reforms in October, applying to urban industry some of the liberalizing measures that have proved so successful in agriculture since their implementation in 1978-79. "Conditions are now ripe for all-round reform of the economic structure," said a Central Committee decision of October 20, announcing more daring changes than any communist country has hitherto contemplated.

The common theme of the various reform policies is decentralization. This includes a move away from rigid Marxist-Leninist-Maoist ideology and a bold willingness to experiment with management methods and market and price mechanisms hitherto identified mainly with capitalism.

The twin pillars of China's course toward economic modernization within this century—a goal set by Deng Xiaoping and his associates at the end of 1978—are liberalizing reforms at home and an open-door policy abroad. Both terms need to be carefully defined. China remains an authoritarian state under the rule of the Communist Party. "Liberalizing" in this context means a measure of freedom from rigid economic controls for individual citizens and for enterprises. The "open door" signifies liberalized economic contacts with foreign governments and enterprises but does not mean unrestricted freedom for Chinese to travel abroad.

Nevertheless, if economic liberalization and increased contacts with overseas partners began timidly in the late 1970s, the trend since then has been broadly in the direction of greater freedom and more contacts. Of course there have been set-

backs. At home, youthful political dissidents were suppressed. Abroad, contracts had to be canceled or scaled down when it became clear that the Chinese, in their enthusiasm, had overestimated their current capacities.

Every year since 1978, Chinese and foreign observers have asked how long the reformist zeal would last and how stable was the structure erected by Deng and his supporters. These questions remain. Incentive policies have been a great boon to agriculture, but China is hardly immune to the vagaries of the weather. Nor can Beijing exercise much control over the world economic climate. Another recession in the West could severely damage promising economic cooperation projects just as they are beginning to bud. For example, Occidental Petroleum's plan to set up the world's largest open-cast coal mine in northern Shanxi province has had to be renegotiated time and again because of the declining world price of coal.

Any economic setback would almost certainly have political consequences. Deng's Maoist enemies within the party and the armed forces are lying low, but they have not been eliminated. They must be waiting for any chance to counterattack.

The most serious potential opposition to Deng comes from within the armed forces, where loyalty to the memory of Mao is strongest and where there is stubborn resistance to the idea of a smaller, more professionally competent force. Deng, who was himself commissar of one of the major communist armies during the revolution and who has served twice as armed forces chief of staff, has the prestige and political skill to control disaffection in the armed forces. But his protégés, Hu Yaobang and Zhao Ziyang, lack this experience and charisma. Many observers fear the possibility of a military takeover once Deng departs. Others note, however, that in the past the armed forces have been loyal to the political leadership even when that leadership struck down some of the nation's most revered and popular military heroes, Marshals Peng Dehuai, He Long and Chen Yi for instance, during the ten-year disaster known as the Cultural Revolution (1966–76). As of today, the armed forces are controlled by generals who have accepted Deng's logic: that modernization of defense can only come as part of the process of economic modernization as a whole, and that the defense share of the total economic pie can increase only as the entire nation becomes more prosperous.

The United States and its allies, notably Japan, have a large stake in the success of Deng's reforms. The Reagan visit to

Beijing in April 1984 symbolized American support for China's road to modernization; it completed a process of reassessment and eventual reversal of the attitudes that the President had brought to Washington in 1981. President Reagan continues to say that he will not turn his back on an old friend (Taiwan) in order to make a new one (China), but there seems little question that, in terms of global politics, China's strategic value vastly outweighs that of Taiwan. Washington's careful formulation of the Sino-American relationship is that China is not an ally, but a friend. Nevertheless, defense ties between the United States and China are growing. Defense Minister Zhang Aiping visited Washington in June 1984 on a trip which also included France, Canada and Japan. His visit returned Defense Secretary Caspar Weinberger's trip to Beijing in September 1983.

China has continuing problems with the United States in the fields of agriculture, textiles and nuclear technology, but over the course of several years each side has learned not to let problems in one area spill over into another. In the case of textiles, the United States, after first granting China a fairly liberal quota, has been progressively clamping down on specific categories as domestic producers complain of a disruptive increase in imports. In agriculture, China has bought only one-third of the 6.4 million tons of grain it is obliged to buy from the United States this year under a four-year grain agreement. More serious for the United States, China's bumper harvests are turning it into an exporter of both corn and soybeans.

The most troublesome potential dispute between Washington and Beijing concerns nuclear proliferation. China has not signed the Treaty on the Nonproliferation of Nuclear Weapons. It is, however, anxious to develop a nuclear generating capacity in order to alleviate severe power shortages, especially in coal-poor southern China. It would like to buy nuclear technology from the West, including the United States. President Reagan signed a nuclear cooperation agreement that opens the way to such purchases when he was in Beijing, but the agreement has not been approved by Congress, where suspicions are high that Beijing—despite flat denials—may be secretly helping Pakistan to develop an atomic weapons capability. The impasse persisted at the year's end.

The most emotional point of contention, of course, remains Taiwan. China continues to make the point that it expects American arms sales to Taiwan to diminish gradually, as agreed in a joint communiqué with Washington on August 17, 1982.

The Taiwan Straits have been peaceful for several years, and although President Chiang Ching-kuo continues to refuse all offers of talks emanating from Beijing, Sino-Taiwanese trade prospers, mainly through Hong Kong. Beijing's leaders obviously hope that the Sino-British agreement on the future of Hong Kong will reassure Taiwan about the seriousness of the Chinese formula of "one country, two systems" (communist on the mainland, capitalist offshore).

President Chiang continues to run the island of Taiwan as a more or less benevolently authoritarian one-party state, with both party (Kuomintang) and state interfering less conspicuously in the life of the individual citizen than occurs on the mainland. In the spring 1984 elections, Chiang received a renewed mandate as president, as expected, while naming an experienced and vigorous Taiwan-born administrator, Lee Teng-hui, as his vice president. Most observers on Taiwan believe that there will be no response to Beijing's reunification calls as long as Chiang remains president, but that in a post-Chiang period, if China remains on its current course of economic reform, the Taiwanese may begin to see the advantage of a political link with the mainland. In Washington and Tokyo, the two capitals most concerned about a peaceful settlement of the Taiwan issue, the view is that a gradual and natural process of coming together is the best solution that can be hoped for, and that outsiders should try neither to hasten nor to delay this evolution.

China's relations with the Soviet Union continued a gradual process of improvement during 1984. Deputy Premier Ivan Arkhipov visited China late in December, and concluded four cooperation agreements with the Chinese, one of them a long-term trade pact for 1986-1990. The pact, to be signed in 1985, may allow as much as \$6 billion in Sino-Soviet trade by 1990. It was also agreed during Arkhipov's visit that bilateral trade in 1985 would be increased 22 percent, to \$1.8 billion. Arkhipov was the top Soviet aid official in China during the days of Sino-Soviet solidarity in the 1950s, and his return to Beijing at this time was taken as a sign both of Moscow's desire to improve economic relations and of its curiosity about the economic reforms the Dengist leadership is carrying out.

The visit had originally been scheduled to take place in May 1984, and Moscow's abrupt postponement was believed to indicate Kremlin irritation at the warm welcome Beijing had just given to President Reagan and at comments implying that

China could be friends with both the United States and the Soviet Union. Nevertheless, no permanent damage was done to the Sino-Soviet relationship, and bilateral talks at the deputy foreign minister level continued at their twice-yearly pace (in Moscow in March, in Beijing in October). Also, Foreign Minister Wu Xueqian had his first bilateral meeting with his Soviet counterpart, Andrei Gromyko, at the United Nations in October. According to Chinese sources, however, no substantive progress has been made toward settling any of China's three principal political demands on the Soviet Union: to withdraw troops from the Sino-Soviet border, to end the occupation of Afghanistan and to stop aiding Vietnam's occupation of Kampuchea.

Thus, the prevailing view among East-West political analysts is that while the two communist giants see advantages in reducing tension along their long border and in normalizing state-to-state relations, there is no disposition on either side to revive the close alliance of the 1950s. Furthermore, Moscow's conservative and aging leaders will not easily overcome their profound misgivings over the economic road taken by Deng and his associates, which is so much more innovative and daring than anything the Soviets are contemplating.

v

The greatest challenge the second Reagan Administration faces in East Asia is the unraveling of the Marcos regime in the Philippines.

Ferdinand Marcos has been president since 1965—as a democratically elected chief executive for seven years, and then as an authoritarian ruler under various guises since 1972. Since the assassination of his chief opponent, former Senator Benigno Aquino, on August 21, 1983, the president, once so politically surefooted, has been struggling to cling to power in the face of successive waves of public protest and a sharply deteriorating economy. The New People's Army, a classic Maoist guerrilla movement, has gathered strength in the provinces to the point where it is beginning to function as an alternative government in some areas.

The two major U.S. bases in Southeast Asia—Subic Bay naval base and the air base at Clark Field—are in the Philippines, their importance enhanced by increasing Soviet use of Cam Ranh Bay in Vietnam across the South China Sea. American investors have a \$5-billion stake in the Philippine economy,

and in both the United States and the Philippines a special mutual affinity has been part of a long tradition. The United States cannot be merely a disinterested observer of the political and economic scene in the Philippines. This relationship is itself a factor in the current political turmoil, and presents both an opportunity and a grave danger to policymakers in Washington.

Discreet American advice is said to have played an important role in two major events of 1984—the legislative elections in May and the Agrava Commission's report in November, which found key military officials guilty of conspiracy in the Aquino assassination. The elections were less blatantly rigged than previously, and the opposition, though divided, won 59 of the 183 elected seats in the 200-seat assembly. (Seventeen seats are filled by presidential appointment.)

Estimates in Washington vary about the viability of the Marcos regime. The prevailing view in the State Department seems to be that since no opposition leader has emerged with Aquino's charisma, the Marcos era may well last another two years, or even beyond 1987, when the president is up for reelection. But experts within the Pentagon are said to be deeply concerned over the provincial communist guerrilla movement and also over evidence of growing corruption, rapacity and war-weariness among government troops battling the guerrillas.²

There may still be time to pressure Marcos for political and economic reform and to build up a viable democratic alternative to the present regime. This, at least, appears to be Washington's first choice, on the theory that Marcos remains the Philippines' most effective leader. Subic Bay and Clark Field are important for the United States, but also for the Philippines, which earns about \$300 million annually from these bases. Talk of considering alternative bases in the Mariana Islands may be one form of pressure on Manila. Persuading international aid organizations like the World Bank to withhold loans to the Philippines, lacking evidence of economic reform, is another. The moderate democratic opposition in Manila also

² A report prepared by two staff members of the U.S. Senate Foreign Relations Committee says that the New People's Army grew from a few hundred fighters in 1969 to a force now probably totaling 10,000 men or more, operating in units often as large as 200–300 men each, and present in 62 of the Philippines' 73 provinces. An additional 10,000 part-time militiamen complement the full-time guerrillas. *The Situation in the Philippines*, a staff report prepared for the Senate Committee on Foreign Relations, 98th Congress, 2nd sess., Sept. 30, 1984, Washington: GPO, 1984.

looks to the United States to press for the abolition of the sixth constitutional amendment, which allows Marcos to rule by decree.

The United States has other levers to help bring the Philippines out of economic and political unrest and restore the imperfect but relatively open democratic government these islands enjoyed before 1972. Ultimately, however, it is the Philippine people themselves who will have to rethink and rework their political and economic institutions, cast off the deadening weight of authoritarianism, and create a structure that will allow the full flowering of their own rich human and natural resources.

VI

Elsewhere in Southeast Asia, the picture was much less alarming despite the festering Kampuchean question. At the year's end, Vietnamese forces in Kampuchea were once again engaged in a vigorous dry-season offensive against the guerrilla forces opposing them, including both nationalists and Khmer Rouge units commanded by the infamous Pol Pot. Once again, peasants caught in the fighting fled to the Thai side of the border, carrying what miserable possessions they could with them.

Some day the Kampuchean question will have to be solved, but the sad truth of the moment seems to be that Vietnamese forces firmly control most of the country without, however, being able to totally eliminate guerrilla units except at the risk of all-out war with Thailand.

The Heng Samrin regime is a puppet of the Vietnamese, and enjoys little international stature, largely due to the consistent attitude taken by members of the Association of Southeast Asian Nations (ASEAN)—the Philippines, Indonesia, Malaysia, Singapore and Thailand. They strongly condemned the Vietnamese invasion of 1978 and have persistently demanded Hanoi's military withdrawal from Kampuchea and the holding of internationally supervised elections.

There are, nevertheless, differences in approach among the ASEAN states. Thailand, which borders Kampuchea, feels most threatened by the Vietnamese occupation and has been the most supportive of the Kampuchean forces opposing Hanoi—organized today in a loose coalition known as Democratic Kampuchea and headed by Prince Norodom Sihanouk. Indonesia, which has ties with Vietnam going back to the days when

Ho Chi Minh was fighting the French and Sukarno the Dutch, seems more inclined to look for a compromise allowing continued Vietnamese influence in Kampuchea. Indonesia is also far more suspicious of China and of the possible growth of Chinese influence in Southeast Asia than is Thailand. Malaysia's position may be somewhere between the two.

These are questions of attitudes rather than of specific policies, however, and so far ASEAN has managed to maintain a unified approach to the Kampuchean question. It is this cohesion that keeps Hanoi and Moscow on the defensive in international bodies. ASEAN has thus proved to be a valuable asset for American foreign policy in Southeast Asia.

In Indonesia, President Suharto has shown himself as a durable and resilient leader; his country boasts an economy in much better shape than that of the nearby Philippines. Yet Suharto shares some of Marcos' problems: how to manage the problem of the succession, how to keep corruption under control and how to distribute power more widely beyond a tight concentration within the military hierarchy.

In Malaysia, the strong-willed Prime Minister Mahathir bin Mohamed is troubled by pressures from the sultans or traditional rulers. Tensions between the Malay majority and the Chinese minority are controlled, but not defused. Communist guerrillas, who are ethnic Chinese, still slip in and out across the border from their sanctuaries in Thailand, without doing great damage, but contributing to Malaysian suspicions of China. Although Malaysia, unlike Indonesia, has diplomatic relations with Beijing, it does not fully trust Chinese assurances of non-support for an insurgency that has gone on since the days of British colonial rule.

In Thailand, Prime Minister Prem Tinsulanond has managed so far to balance the growing demands of the political parties for a share in government against the continuing reality that the army ultimately still holds most of the levers of power. General Prem is reported to have had health problems, but he enjoys the confidence of the king, who plays an essential stabilizing role in this profoundly Buddhist country.

Finally, the city-state of Singapore continues to run like a Swiss watch under the stern rule of Prime Minister Lee Kuan Yew, although the remarkable first generation of leaders, who built Singapore and made it a viable, prosperous community, are gradually giving way to younger men—intelligent, hard-working, but less tested.

Australia and New Zealand, partners with Washington in the 1951 ANZUS treaty, both now have Labour governments. The Australian government sees eye to eye with the United States on defense matters, and Prime Minister Bob Hawke enjoys excellent personal relations with President Reagan. The same cannot be said for New Zealand, where the general election on July 14, 1984, toppled conservative Robert Muldoon and brought to power a Labour government headed by David Lange. (Labour won 55 seats in the 95-seat parliament.)

Lange and his party support ANZUS but strongly oppose visits to New Zealand's ports by nuclear-powered and nuclear-armed American naval vessels. Lange has said he is prepared to accept port calls by nuclear-powered vessels so long as they are not nuclear-armed. But this stand directly challenges long-standing American policy never to reveal whether a ship is carrying nuclear arms.

Lange's anti-nuclear policy is popular in New Zealand, where his approval rating in polls shot up from 13 percent while he was opposition leader to 70 percent since he took office July 26. "There will be no nuclear weapons in New Zealand as long as I am prime minister and that is from the heart," Lange is quoted as saying.³

The United States insists that it cannot help defend New Zealand unless its naval ships, whether or not armed with nuclear weapons, are allowed to visit New Zealand's ports. To give way on this issue would have serious consequences for the United States in other countries, such as Japan and Spain, where port calls by nuclear-armed ships are also politically sensitive.

Whenever a nuclear-powered U.S. submarine or aircraft carrier ties up at a Japanese port, opposition parties routinely ask whether the ships are carrying nuclear arms. The government routinely responds that, under the security treaty, the United States has pledged to have prior consultation with Japan before undertaking a major change of equipment for its units (navy and air forces) stationed in Japan. Presumably, the introduction of nuclear weapons would be a major change of equipment, and therefore would require prior consultation with Japan. The Japanese formula, thus, is that since the United States does not ask for consultation, the Japanese authorities choose to assume that the naval vessel in question is not carrying

³ Associated Press dispatch from Sydney, Australia, in *The Daily Yomiuri*, Tokyo, October 11, 1984.

nuclear arms. This formula allows the United States to avoid direct answers to difficult questions, and the Japanese government can continue to pretend that no nuclear arms are entering Japanese ports.

This elaborate Japanese rationale will not work for the straightforward New Zealanders. They are asking the United States to submit a reckoning of all ships planning visits to New Zealand's ports, including whether they are nuclear-armed. If this impasse cannot be settled by the July 1985 ANZUS meeting, Washington may face the necessity of shrinking the old tripartite alliance to a purely bilateral arrangement between the United States and Australia.

VII

American foreign policy has traditionally been oriented toward Europe. The Reagan Administration, however, has started looking more closely at Asia and the Pacific. The most pointed manifestation of this trend was the astonishing reversal of Washington's attitudes toward China and Taiwan. As a result, Sino-American relations are closer today than during the Carter Administration, which removed the U.S. embassy from Taiwan (while continuing "non-governmental" ties with "the people in Taiwan") in order to establish full diplomatic relations with Beijing.

The Reagan Administration has also reinforced the partnership with Japan, helping it become more global in scope. The Japanese are beginning to take initiatives on sensitive questions like the possible transfer of Soviet SS-20 intermediate-range missiles from the European to the Asian theaters of the U.S.S.R. and the possibility of diplomatic action to end the Iran-Iraq war. What is surprising about this new air of cooperation in U.S.-Japanese relations is that it has developed despite the increasing American trade deficit with Japan.

The fact that both Ronald Reagan and George Shultz are men from beyond the eastern seaboard may have set the tone for these developments. As Reagan said during his visit to Japan last November: "You cannot help but feel that the great Pacific basin—with all its nations and all its potential for growth and development—that is the future." Or as Shultz put it more succinctly in July of this year: "The Pacific and the future are inseparable."

In its second term, the Reagan Administration is likely to look even more toward the Pacific. As China accelerates the

market orientation of its economy and its opening to the West, as Japan strengthens its strategic partnership with the United States and opens its own markets in a more significant way to American high technology exports, as South Korea, Taiwan and the Southeast Asian nations (the Philippines excepted) move forward on their path of economic growth, the United States' transpacific ties are likely to grow ever stronger and more pervasive.

That is the optimist's view, and past developments and trends can be arrayed to support it. But there is also a more pessimistic scenario. The continuation of China's present liberalizing policies depends upon the untested strength of the party and government structure Deng Xiaoping and his colleagues are putting in place (Deng himself turned 80 this year). It also depends on factors over which the Chinese have little control. Suppose the world economy were to turn sour? Suppose oil is not found in abundance off the China coast? The Dengist policies have found a ready response among the Chinese people so far; yet it is too soon to say that they have struck deep roots and will endure.

The current warmth of U.S.-Japanese relations owes much to the personal ties between Reagan and Nakasone, and in Japan the personal factor is particularly important. The national interests of Japan and the United States were much the same under the premiership of Nakasone's predecessor, Zenko Suzuki, as they are today. But the friction that developed between the two countries during this period, which spanned the first two years of the Reagan Administration, can be ascribed in large part to a prime minister basically uninterested in foreign affairs, and a string of undistinguished foreign ministers in Tokyo. Yet, in the Japanese political context, the pattern of the Suzuki administration is closer to the norm than is the active international involvement of Nakasone and his foreign minister, Shintaro Abe.

From now on, Washington is going to expect a prime minister who can make small talk in English and who volunteers assertive pronouncements on international issues, according to one veteran policy planner. But except for Abe and former Foreign Minister Kiichi Miyazawa, none of Nakasone's potential successors have these capacities. The trade deficit problem is more likely to intensify than to diminish. Will greater access for American goods and services in the Japanese market truly

compensate for ever larger flows of Japanese goods into the American market?

Finally, Washington's policy dilemma in the Philippines—whether and how far to work with the Marcos administration, whether to actively encourage and even to help form a more cohesive non-communist alternative to Marcos—is one that it has faced before in this part of the world, as in the declining days of the Syngman Rhee regime in South Korea in the 1950s, and of Ngo Dinh Diem in South Vietnam in the early 1960s. One can wonder if any enduring lesson was learned from either of these two experiences; the case of Marcos may well repeat the pattern. Perhaps the real lesson is that even a superpower should hesitate before rushing into a troubled situation with money, arms and men, unless it has the assurance that its efforts will complement forces already present. When the stakes are high, as they are in the Philippines, the temptation toward a quick fix is strong. It is not the limits to American power that have to be learned in such situations. Rather, it is how to recognize these limits without shrinking into immobilism.

The core of American policy interests in Asia, relations with Japan, China and Korea, was strengthened and enlarged. But on the periphery, in the Philippines and New Zealand, there were signs of trouble, perhaps serious trouble, in the President's next term.

CHRONOLOGY 1984

UNITED STATES

(See also country, regional and topic entries)

JAN. 4. Deputy Secretary of Defense Paul Thayer announces resignation effective 1/12; President Ronald Reagan names William Howard Taft IV to replace him 1/5.

JAN. 10. US and Vatican reestablish full diplomatic relations after 116-year lapse; Reagan names California businessman William A. Wilson as US Ambassador.

JAN. 22. Attorney General William F. Smith announces intention to resign; Reagan names White House aide Edwin Meese III to replace him 1/23.

JAN. 23. Second session of 98th US Congress convenes in Washington.

JAN. 25. Reagan, in State of Union address, praises new US "optimism," urges improved US-Soviet ties, increased aid for Central America, gives support for permanent US manned space station.

JAN. 29. Reagan formally declares candidacy for reelection, endorses Vice President George Bush as running mate.

FEB. 1. Reagan sends Congress \$925.5-billion fiscal year 1985 budget, including projected \$180.4-billion deficit.

FEB. 10. State Department releases 1,485-page report on 1983 global human rights violations, highlighting repression in USSR, Cambodia, Cuba, Iran, Nicaragua.

FEB. 17. US special envoy to Central America Richard B. Stone announces resignation effective 3/1, reportedly due to policy disputes with Assistant Secretary of State Langhorne Motley.

APR. 2. Law Professor Jacob A. Stein is named as special counsel to inquire into alleged financial improprieties of Attorney General-designate Meese; Attorney General Smith agrees 4/3 to remain in office until Meese probe is completed, successor confirmed.

APR. 3. Secretary of State George P. Shultz hints US may take preemptive action against international terrorist groups.

APR. 6. Reagan, in major address, blames Congress for undercutting Administration foreign policy, urges return to "bipartisan consensus."

APR. 15. Senator Daniel P. Moynihan (D-NY) resigns as vice chairman of Senate Select Committee on Intelligence to protest CIA failure to inform committee of US role in mining of Nicaraguan harbors; withdraws resignation 4/26 after CIA Director William Casey apologizes to committee.

MAY 7. Seven chemical companies, in out-of-court class-action settlement, agree to establish \$180-million fund to aid veterans injured by use of Agent Orange herbicide during Vietnam War.

MAY 9. Chairman of Council of Economic Advisers Martin Feldstein announces resignation effective 7/10 to return to academic life.

MAY 15. Senate Foreign Relations Committee rejects nomination of Leslie Lenkowsky as deputy director of US Information Agency.

MAY 18. Presidential envoy to Mideast Donald Rumsfeld resigns; no replacement named.

MAY 28. Reagan dedicates memorial to unidentified Vietnam War casualty at Tomb of Unknowns in Arlington National Cemetery.

JULY 16-19. Democrats at 39th annual convention nominate Walter Mondale as presidential candidate, Rep. Geraldine Ferraro as vice-presidential choice.

JULY 21. House Appropriations Committee report questions ability of US military forces to engage in extended combat; Secretary of Defense Caspar W. Weinberger denounces report 7/23.

AUG. 20-23. Republican Party holds national convention in Dallas; nominates Reagan as presidential candidate, Vice President Bush as vice presidential candidate.

SEPT. 19, 20. ABC-TV reports charges by Hawaiian businessman Ronald R. Rewald that CIA used his investment firm to conceal Asian operations, attempted

to murder him to hide agency's role when firm failed; CIA denies charges, demands apology 9/26, files complaint with Federal Communications Commission 11/21.

SEPT. 20. Independent probe by special counsel Stein finds no basis for prosecution of Attorney General nominee Meese for allegedly improper financial dealings.

OCT. 1. New York grand jury indicts Secretary of Labor Raymond Donovan on charges stemming from allegedly fraudulent business practices prior to taking office; Donovan denounces indictment as "partisan," takes leave of absence from post to fight charges.

OCT. 7. Reagan and Democratic challenger Mondale hold first election debate in Louisville, Kentucky.

OCT. 9. House and Senate conferees allow controversial Simpson-Mazzoli immigration legislation to die after failing to reach compromise regarding expenses of bill's amnesty provisions.

OCT. 10. Defense Department reveals plan to form 11-man journalist pool to cover future US combat operations; journalists denounce plan as inadequate, biased.

OCT. 11. New York district court hears opening arguments in suit by former US Vietnam commander Gen. William C. Westmoreland charging that CBS-TV documentary unfairly accused him of conspiracy to conceal unfavorable enemy troop strengths.

OCT. 21. Reagan, Mondale hold second campaign debate; Mondale condemns Reagan Administration tactics in Nicaragua, Lebanon, urges new arms control efforts; Reagan chides Mondale for inattention to Soviet threat, US defense needs.

Nov. 6. Reagan wins second term as US President, defeating Mondale by record electoral margin; Republican Party gains 14 seats in House, one additional governorship; Democrats gain two Senate seats.

Nov. 8. Secretary of Education T.H. Bell resigns effective 12/31.

Nov. 28. Robert J. Dole (R-Kan) is elected Senate majority leader, succeeding retiring Sen. Howard H. Baker (R-Tenn); Robert C. Byrd (D-WV) is reelected Senate minority leader 12/12.

— Secretary of Defense Weinberger, in remarks seen as response to comments by Secretary of State Shultz, urges US restraint, use of force only as "last resort."

DEC. 5. US intermediate-range nuclear forces negotiator Paul H. Nitze is named special adviser to Secretary Shultz for arms control matters.

DEC. 9. Secretary of State Shultz, in New York address, reiterates support for use of US force if required to fight terrorism, reach legitimate foreign policy goals.

DEC. 25. US says Voice of America has signed new agreements with Morocco, Sri Lanka, Thailand, Costa Rica and Belize to permit large expansion of broadcast capabilities.

THE UNITED STATES AND THE WORLD ECONOMY

JAN. 3. International Monetary Fund (IMF) approves \$359.6 million in new loans, credits to Zaïre.

JAN. 6. Iran-US Claims Tribunal approves \$42.7 million of \$118-million claim by E.I. Du Pont de Nemours & Co. as compensation for properties expropriated by Iran following 1979 revolution.

JAN. 8. In largest merger in US history, Texaco Inc. reaches agreement to purchase Getty Oil Corp. for \$125/share, or \$9.98 billion total.

JAN. 9–14. Delegates from Latin American and Caribbean states hold economic summit in Quito, Ecuador; final communiqué urges new debt aid, regional cooperation in debt renegotiations.

JAN. 10. Guyana announces 20% devaluation of Guyana dollar.

JAN. 12. Chrysler Corp. files federal court suit to bar joint venture between General Motors Corp. and Toyota Motors Corp. announced 2/14/83.

JAN. 13. European Community announces trade sanctions against US in retaliation for 7/5/83 US restrictions on specialty steel imports.

— US Agriculture Department reports major decline in 1983 US wheat, corn and soybean harvests, representing sharp drop from record 1982 levels.

JAN. 14. World Bank President A.W. Clausen announces \$9-billion 1984–87

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financing program for International Development Association, reflecting \$3-billion cutback from previous 3-year level.

JAN. 24. Bethlehem Steel Corp., citing injury to domestic industry from Third World producers, files federal suit asking restrictions on foreign steel imports.

JAN. 25. Chile and international bank creditors reach agreement on restructuring of \$1.6 billion in short- and medium-term public debt.

JAN. 26. Group of 11 US copper producers ask US International Trade Commission to impose quotas on imports of foreign copper.

JAN. 27. Brazil and international banks sign new \$6.5-billion loan package.

FEB. 28. US and European Community negotiators reach agreement to soften declared EC sanctions against US exports.

MAR. 9. Mexican government announces plans to sell majority of bank stock acquired through nationalization during 8/82 banking, debt crisis.

MAR. 12. Indonesia and foreign banks reach agreement on \$750 million in new loans.

MAR. 13. Council of General Agreement on Tariffs and Trade (GATT) sustains Nicaraguan claim that US violated GATT rules by slashing Nicaraguan sugar quotas in retaliation for alleged Nicaraguan subversive activities in Central America.

MAR. 30. US announces \$500-million multinational emergency loan package to avoid Argentine default on estimated \$2.5-billion in overdue interest payments; US offer to guarantee \$300-million loan as part of package is allowed to expire 6/15, renewal is denied.

MAR. 31. Agricultural ministers of EC member states, after protracted negotiations, reach agreement on revised Common Agricultural Policy.

APR. 7. US and Japan reach agreement on new quotas for US beef and fruit exports to Japan.

APR. 24. Japanese Nippon Kokan steel company announces it will acquire major interest in US National Intergroup steel firm.

APR. 27. Mexico, international banks sign agreement on \$3.8-billion loan package.

MAY 9. Vice President George Bush, in Tokyo, urges lower Japanese import tariffs, liberalization of Japanese financial markets.

MAY 29. US and Japan announce agreement on reforms designed to strengthen yen and open Japanese financial markets, including creation of international Euro-yen market.

JUNE 11. Argentina unilaterally submits compromise economic plan to IMF, reportedly seeking relaxation of IMF's proposed austerity guidelines.

JUNE 13. US allows 3/31 offer to guarantee \$300-million Argentine loan to expire.

JUNE 18. Pakistan bans payment of interest by banks, including foreign banks, as violation of Muslim law.

JUNE 21-22. Eleven major Latin American debtor countries, including Brazil, Mexico, Argentina, Venezuela, Colombia, Peru and Ecuador, hold financial summit in Cartagena, Colombia, to discuss common approach to debt repayment.

JUNE 29. Argentina, international banks announce agreement on \$350-million emergency loan package.

JULY 10-11. Organization of Petroleum Exporting Countries (OPEC) member nations meet in Vienna, reaffirm price, production levels, grant small production increase to Nigeria.

SEPT. 6. New link is opened between Chicago Mercantile Exchange and Singapore International Monetary Exchange, allowing first overnight overseas trading of futures contracts.

SEPT. 7. In largest debt-rescheduling accord in history, Mexico and international banks announce agreement on rescheduling of \$48.5 billion in public-sector obligations.

SEPT. 13-14. Eleven Latin American debtor nations meet in Mar del Plata, Argentina, to discuss common approaches to credit, debt problems.

SEPT. 17. Chilean government announces 19% devaluation of peso.

SEPT. 24-27. International Monetary Fund and International Bank for Reconstruction and Development (World Bank) hold annual meeting in Washington.

SEPT. 25. Argentina, IMF reach agreement on new austerity program, \$1.42 billion in standby credits.

- OCT. 17. UK cuts prices for North Sea crude oil; Nigeria follows suit 10/18.
 OCT. 29–31. Representatives of OPEC member states hold emergency meeting in Geneva, reaffirm commitment to existing price levels, agree on reduced production quotas.
 NOV. 20. US, European trade representatives announce compromise limits on US imports of steel pipe, tube; US steel companies denounce compromise 11/26; US 11/27 bans further imports of European steel pipe, tubing in 1984.
 NOV. 26–30. Member states of GATT hold annual meeting in Geneva.
 DEC. 12. Inter-American Development Bank approves \$48-million loan to Chile.
 DEC. 29. OPEC oil ministers, meeting in Geneva, agree on new pricing structure, resist demands for major revision of pricing system.

WESTERN EUROPE AND CANADA

- JAN. 1. Former French Foreign Minister Claude Cheysson is named president of European Community (EC).
 JAN. 3. Turkey announces withdrawal of 1,500 troops from northern Cyprus as goodwill move; Greek Cypriots denounce action as meaningless.
 — Argentina urges new talks with UK leading to "transfer of sovereignty" over disputed Falkland Islands; UK indicates willingness to discuss economic and trade position of Falklands, but rejects sovereignty talks 1/4.
 JAN. 10. Minority Conservative Liberal coalition of Prime Minister Poul Schluter wins 90 seats in elections to 176-member Danish Parliament, gaining absolute majority; opposition Progress Party leader Mogens Glistrup wins reelection despite imprisonment on tax charges.
 JAN. 17. Turkish and Turkish-Cypriot leaders reject plan offered by Cypriot President Spyros Kyprianou for settlement of boundaries between ethnic Greek and Turkish populations on Cyprus.
 JAN. 26. Labour Party Association for the Advancement of Civil Rights wins 8 seats in elections for 15-member Gibraltar House of Assembly; party leader Sir Joshua Hassan wins 4th term as colony's chief minister.
 JAN. 28. Portuguese Parliament approves controversial abortion bill despite strong opposition from Roman Catholic Church.
 JAN. 29. Imprisoned Greek ex-dictator George Papadopoulos announces formation of new right-wing National Political Union, declares intention to run in 6/84 elections for European Parliament.
 FEB. 1. French Prime Minister Pierre Mauroy formally protests 1/29 remarks by US Ambassador to France Evan G. Galbraith criticizing French Communist Party.
 FEB. 15. US director general of 10-nation Sinai peacekeeping force, Leamon R. Hunt, is assassinated in Rome; Red Brigades terrorist faction claims responsibility.
 FEB. 18. French truck drivers, seeking tax, wage concessions, block major transit routes throughout France; protest ends 2/24 after government concessions.
 — Italy and Vatican sign new 14-part concordat ending role of Catholicism as Italian national religion, reaffirming Vatican status as independent sovereign state.
 FEB. 29. Canadian Prime Minister Pierre Trudeau resigns.
 MAR. 7. French gunboat, after repeated warnings, fires on Spanish boats fishing illegally in French waters, wounding six men; Spain condemns attack.
 MAR. 8. Greek warship and fishing boats in Aegean Sea are struck by shrapnel from Turkish naval shelling; Greece recalls ambassador from Ankara, places military on alert; Turkey denounces "artificial crisis," says shelling was part of unrelated exercise; Greece accepts Turkish explanation 3/10.
 — After extensive investigation into role of Church-owned institutions in 1982 Banco Ambrosiano collapse, Vatican agrees to pay \$250 million of failed bank's estimated \$590 million in outstanding debts.
 MAR. 10–12. Terrorist blasts injure 26 in British nightclub, apartment house; police find and disarm 3 other bombs; British police blame attacks on Libyan terrorists, arrest Libyan, 3 other suspects 3/13.
 MAR. 12. British coal miners strike to protest planned mine closures, employment cutbacks; government calls in 8,000 additional police 3/15 as confrontations, violence worsen.

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MAR. 19. Leaders of EC member nations hold summit in Brussels; conference fails to resolve British demands for budgetary concessions, changes in Common Agricultural Policy; second emergency session 3/27 also fails to produce agreement.

MAR. 31. Agricultural ministers of EC member states, after protracted negotiations, reach agreement on revised Common Agricultural Policy.

APR. 3. West German Green Party removes prominent spokeswoman Petra Kelly from party parliament leadership.

APR. 17. Machine-gun fire from Libyan embassy in London kills policewoman, wounds 10 persons demonstrating against Libyan government; UK seals off embassy after occupants refuse to surrender; UK breaks off diplomatic relations with Libya 4/22, orders diplomats in embassy to leave by 4/29; occupants of embassy leave for Libya 4/27.

MAY 17-18. Organization for Economic Cooperation and Development member states hold annual meeting in Paris; final communiqué urges common approach to fight inflation, encourage free trade.

MAY 27. West German Foreign Minister Hans-Dietrich Genscher announces intention to resign as leader of Free Democratic Party.

JUNE 6. Reagan, other Western leaders meet in Normandy, France, to celebrate 40th anniversary of WWII Allied invasion.

JUNE 7-9. Leaders of 7 largest industrial democracies hold annual summit in London; final communiqué stresses economic goals, urges trade liberalization, renewed attention to Third World debt.

JUNE 11. Italian Communist Party leader Enrico Berlinguer dies; is replaced by Alessandro Natta 6/26.

JUNE 14, 18. Governing parties make poor showing in elections for European Parliament marred by low voter turnout; leftist parties gain.

JUNE 15. France, Spain sign pact to halt terrorism in Basque border area.

JUNE 18. John N. Turner is elected to succeed Canadian Prime Minister Pierre Trudeau as head of incumbent Liberal Party; sworn in as prime minister 6/30; on 7/9 calls national elections for 9/4.

JUNE 19. Italian prosecutors release report implicating Bulgarian and possibly Soviet agents in attempted assassination of Pope John Paul II.

JUNE 26. West German Economics Minister Otto Lambsdorff resigns; Free Democratic Party official Martin Bangemann is named to replace him 6/27; court indicts Lambsdorff 7/2 on charges of accepting payoffs from Flick industrial group.

JUNE 28. US says Greece has released Palestinian accused in 12/83 attempt to bomb passenger plane; reportedly decides 7/8 to block Norwegian sale of US warplanes to Greece; Greece denounces move 7/9, threatens to close Voice of America radio stations in Greece; State Department says 7/10 US will not block aircraft sale.

JULY 5. Former Nigerian cabinet official Umaru Dikko is found drugged in crate prepared for shipment from London to Lagos on Nigerian Airways plane; Nigeria protests, detains British Caledonian plane in retaliation; both planes released 7/7; UK charges Nigerian, 3 Israelis with kidnapping Dikko 7/10, expels 3 Nigerian diplomats 7/13.

JULY 12. Italian Budget Minister Pietro Longo resigns after investigation connecting him to secret Masonic Lodge P-2; replaced by Social Democrat Pier Luigi Romita 7/30.

JULY 17. French Prime Minister Pierre Mauroy and cabinet resign; is replaced by former Minister of Industry Laurent Fabius; Fabius names new cabinet 7/19; cabinet receives vote of confidence 7/25.

JULY 19. Former French Finance Minister Jacques Delors is named to succeed Gaston Thorn as president of EC executive commission effective 1/85.

JULY 24. French Christian Democrat Pierre Pflimlin is elected president of European Parliament.

AUG. 12. British police firing rubber bullets kill demonstrator in Belfast during protest attended by banned US Irish nationalist supporter Martin Galvin; death, caught on film by TV news crew, sparks widespread protests.

AUG. 20. Greece, citing primacy of Turkish threat, withdraws from planned US-Greek military exercises scheduled to begin 9/1/84.

AUG. 23. Spain, in policy reverse, offers direct negotiations with Basque separatist group ETA; ETA leaders denounce proposal 8/24.

SEPT. 4. Progressive Conservative Party wins landslide victory in Canadian national elections, taking 211 seats in 282-member House of Commons; party leader Brian Mulroney is named prime minister, ousting Liberal party incumbent John N. Turner.

SEPT. 26. Departing from past policy, France agrees to extradite 3 Basque extremists to Spain for trial on terrorism charges.

SEPT. 29. Italian police, acting on information provided by former mafia leader Tommaso Buscetta, stage largest raid ever against suspected organized crime figures; US police, in related effort, arrest dozens of suspected US mafia operatives.

— Irish police seize trawler carrying arms allegedly in transit to Irish Republican Army guerrilla group from supporters in US.

OCT. 12. International Court of Justice resolves US-Canadian boundary dispute over Gulf of Maine.

— Bomb attack damages hotel occupied by British Prime Minister Margaret Thatcher during annual Conservative Party conference, narrowly missing her and killing 4 persons, including other high UK officials; Provisional Irish Republican Army claims responsibility 10/12.

OCT. 24. French security men, during visit to UK by French President François Mitterrand, plant explosives near French diplomatic residence to "test" British security measures; British government, denying any knowledge of plan, denounces "regrettable" episode 10/25; France insists 10/26 that UK invited exercise.

OCT. 25. Speaker of German Bundestag Rainer Barzel resigns after press reports accuse him of receiving large bribes from Flick industrial group; Barzel denounces charges; former state minister Philipp Jenninger is elected to replace Barzel as speaker 11/5.

OCT. 26. Italy formally indicts 4 Turks, 3 Bulgarians for allegedly conspiring to kill Pope John Paul II in 5/81; Bulgaria denounces indictments.

Nov. 20. Group of 192 Poles defects from Polish ship docked at Hamburg, West Germany; second group of 126 Poles defects to West Germany from Polish ferry 11/24.

— US, European trade representatives announce compromise limits on US imports of steel pipe, tube; US steel companies denounce compromise 11/26; US 11/27 bans further imports of European steel pipe, tubing in 1984.

Nov. 27. Spain, UK agree to reopen Spain-Gibraltar border by 2/15/85.

DEC. 13. Citing US laws barring extradition for political crimes, US Federal judge refuses to extradite convicted Irish Republican Army member Joseph Patrick Thomas Doherty to UK for trial in killing of British soldier.

DEC. 23. Bomb explodes in Italian passenger train, killing 15 persons, wounding 180; police blame terrorist group 12/24.

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JAN. 4. USSR announces major educational reform including extra year of elementary school, new standards for teacher education, increased emphasis on Russian-language training.

JAN. 12. In face of broad public protests, Polish government announces modified proposal for food price rises, retreating from original plan for sharp price increases declared 11/12/83; modified increases take effect 1/30 with little opposition.

FEB. 9. Soviet President Yuri V. Andropov dies of acute kidney problems at age 69; Vice President George Bush represents US at Moscow funeral 2/14; Chinese Vice Premier Wan Li attends funeral, becoming highest-ranking Chinese official to visit Moscow in 20 years.

FEB. 10. China and USSR sign \$1.2-billion trade agreement providing 50% increase in bilateral trade through end of 1984.

FEB. 13. USSR Communist Party Central Committee elects Konstantin U. Chernenko to succeed Andropov as general secretary; junior Politburo member Mikhail Gorbachev delivers key closing speech at committee plenum, fueling speculation that he is being groomed as potential successor to Chernenko.

FEB. 23. Kremlin officials say Chernenko has been named chairman of USSR Defense Council.

MAR. 6. USSR dismisses prominent director Yuri Lyubimov, resident in London,

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from post at Taganka theater in Moscow; expels him from Communist Party 3/21; government names Anatoly Efros to replace Lyubimov at Taganka 3/7.

MAR. 7. Nationwide protest erupts in Poland following student sit-in protest against removal of crucifixes from school classrooms; protests end 4/6 as government reaches agreement with Roman Catholic Church permitting crucifixes in non-classroom areas of government schools and hospitals.

APR. 11. Chernenko is named chairman of Presidium of USSR Supreme Soviet.

MAY 1. Leaders of banned Polish labor union Solidarity join May Day march in Warsaw; demonstrations erupt in violence in Warsaw, other major cities.

MAY 2. Nobel Peace Prize laureate Andrei D. Sakharov begins hunger strike in effort to win permission for his wife to travel abroad for medical treatment; Soviet security police reportedly take Sakharov from home to unknown location 5/7; US, other Western states denounce Sakharov's treatment.

JUNE 10. Poland announces arrest of fugitive Solidarity trade union leader Bogdan Lis, in hiding since 12/81.

JUNE 11-14. Eastern bloc Council for Mutual Economic Assistance holds summit in Moscow; final communiqué urges improved planning, energy conservation.

JULY 5. USSR reinstates former leader Vyacheslav M. Molotov to membership in Communist Party.

JULY 21. Poland, on 20th anniversary of Communist rule, announces amnesty for 652 political prisoners, estimated 35,000 common criminals; US praises action 7/21, but declines to lift 12/81 sanctions; Poland denounces continuation of sanctions 7/24.

AUG. 20. Moscow Radio says Sakharov is alive and under medical care in exile hometown of Gorky.

SEPT. 5. After 7-week absence from public view, Chernenko makes television appearance to present awards to Soviet cosmonauts.

SEPT. 6. In unexplained move, Chief of Soviet General Staff Marshal Nikolai Ogarkov is abruptly demoted; Deputy Chief of Staff Marshal Sergei Akhromeyev is named to replace him.

OCT. 19. Controversial Polish priest Jerzy Popieluszko disappears 10/19; Polish Prime Minister Gen. Wojciech Jaruzelski deplores kidnapping 10/26; police find priest's body in reservoir 10/30, charge 3 members of national security forces with murder.

DEC. 21. Soviet Defense Minister Dmitri F. Ustinov dies at age 76; is replaced by First Deputy Defense Minister Marshal Sergei L. Sokolov 12/22.

DEC. 22. In apparent response to crisis following 10/19 kidnapping, murder of priest by security police, Polish Communist Party, at Central Committee plenum, replaces party official in charge of internal security, police affairs.

EAST-WEST RELATIONS

JAN. 1. France receives first deliveries of natural gas from controversial Soviet trans-Siberian pipeline built in part with Western materials and financing.

— UK says first 16 new US cruise missiles based at Greenham Common air base are operational.

JAN. 5. West German Gen. Gunther Kiessling, Deputy Supreme Allied Commander in Europe, is dismissed from post; West German Defense Minister Manfred Woerner 1/12 says Kiessling posed "security risk" due to alleged homosexual conduct; Kiessling denies charges, files defamation suit against Woerner 1/19; Kiessling reinstated after investigation 2/1.

JAN. 10. USSR proposes NATO-Warsaw Pact negotiations to ban chemical weapons in Europe.

JAN. 11. NATO accuses USSR of deploying 9 additional SS-20 intermediate-range ballistic missiles (IRBMs) since collapse of intermediate-range nuclear force (INF) talks 11/23/83.

JAN. 12. Soviet INF negotiator Yuli Kvitsinsky, in *New York Times* article, blames US for failure of INF talks, accuses US negotiator Paul H. Nitze of manipulating 7/82 "walk in the woods" negotiating session for "propaganda" purposes.

JAN. 14. US Army soldier Liam Fowler is reportedly kidnapped from post in

West Germany by German leftists; is discovered in rural barn 1/15; admits kidnapping was hoax 1/19.

JAN. 16. In major address, President Ronald W. Reagan softens criticism of USSR, urges return to nuclear arms negotiations, US-USSR "dialogue"; USSR terms speech "propaganda."

— Balkan nations meet in Athens to discuss regional issues, including proposal for regional nuclear-free zone; conference disbanded prematurely 1/18 as Turkey refuses to discuss nuclear issue; new 10-day session scheduled for 2/13.

JAN. 17. Conference on Confidence- and Security-Building Measures in Europe opens in Stockholm; US Secretary of State George P. Shultz, addressing meeting, proposes 6-point NATO proposal to reduce East-West military tensions, denounces Soviet role in "artificially imposed division of Europe"; Soviet Foreign Minister Andrei A. Gromyko, in speech to conference 1/18, attacks Reagan Administration's "pathological obsession" with military force.

— Accepting claim of diplomatic immunity, US judge dismisses spying charges against Bulgarian trade official in New York.

JAN. 19. US INF negotiator Nitze, responding in *New York Times* to 1/12 article by Soviet negotiator Kvitsinsky, denies Soviet version of INF negotiating record, accuses USSR of attempting to divide US from NATO allies.

— Reagan Administration, citing "general improvement" in internal Polish situation, lifts sanctions on airline flights, fishing, imposed in response to Polish declaration of martial law 12/21/81.

JAN. 20. Norwegian police arrest high foreign ministry official, Arne Treholt, on charges of spying for USSR.

— Six East German citizens enter US Embassy in East Berlin, asking protection, asylum; East Germany permits them to cross border 1/22 following intensive negotiations among US, East Germany and West Germany.

JAN. 21. Air Force tests first US air-launched antisatellite (ASAT) missile.

— US accepts Soviet proposal to resume Mutual and Balanced Force Reduction (MBFR) talks, says new round will begin 3/16 in Vienna.

JAN. 23. Reagan submits report to Congress alleging 7 Soviet violations of existing arms control agreements, including use of chemical weapons, construction of banned radar facility in Siberia, and encoding of missile test signals.

JAN. 24. USSR President Yuri V. Andropov, in published interview, condemns Reagan military programs, but departs from harsh tone of earlier remarks, urges new US-USSR dialogue.

— Reagan, in State of Union address, urges improved US-Soviet ties.

JAN. 25. Secretary of Defense Caspar W. Weinberger informs Congress that small new "Midgetman" intercontinental ballistic missile (ICBM) could be deployed as early as 1992.

JAN. 29. Soviet press agency TASS says USSR has formally protested alleged US violations of nuclear arms accords, including nuclear test detonations exceeding threshold test limits, concealment of weapons improvements, construction of anti-ballistic missile radars; US releases point-by-point rebuttal of Soviet allegations 1/30.

JAN. 30. Chief US strategic arms negotiator Gen. Edward Rowny says US will consider merging Strategic Arms Reduction Talks (START) with negotiations on INF; USSR dismisses proposal 1/31.

FEB. 1. Norway expels 5 Soviet diplomats, reportedly due to espionage activities.

FEB. 13. West German Chancellor Helmut Kohl, in Moscow for Andropov funeral, meets with East German Communist leader Erich Honecker for first time.

FEB. 20. After personal intervention by UN Secretary-General Javier Pérez de Cuéllar during Warsaw visit, Poland releases UN development employee jailed in 1980 as NATO spy.

FEB. 21. USSR, at Conference of Committee on Disarmament in Geneva, offers to allow continuous inspection of chemical weapons stockpiles as part of future arms-control accord.

— US report to UN acknowledges lack of firm evidence regarding alleged Soviet use of chemical weapons in Laos, Cambodia during 1983.

MAR. 1. US denies visa to Soviet Olympic official Oleg Yermishkin, reportedly due to Yermishkin's ties to KGB; USSR denounces move as violation of Olympic tradition.

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MAR. 2. Konstantin U. Chernenko, in first major speech since taking office, urges renewed US-Soviet dialogue, improved Sino-Soviet relations; US welcomes conciliatory tone.

MAR. 5. Warsaw Pact urges freeze on NATO, Warsaw Pact military spending in Europe; Western officials dismiss proposal as unenforceable.

MAR. 16. NATO and Warsaw Pact negotiators resume Mutual and Balanced Force Reduction talks in Vienna.

MAR. 21. US aircraft carrier *Kitty Hawk* collides with Soviet nuclear-powered submarine in Sea of Japan, causing minor damage; US accuses submarine of violating 1972 US-Soviet agreement on naval maneuvers.

— Study by Union of Concerned Scientists sharply criticizes 3/23/83 Reagan proposal for anti-missile defense as unrealistic, exorbitantly expensive.

MAR. 23. Press reports say private high-level US group carrying personal letter from Reagan to Chernenko was snubbed by Soviet leadership in early March, returned home without conveying message.

APR. 9. USSR accuses US of politicizing Olympic games, accuses US groups of posing security threat to Soviet athletes.

APR. 19. Western nations at MBFR talks propose new plan for counting NATO, Warsaw Pact conventional troop strengths in European theater; Warsaw Pact negotiators reject plan 5/24.

APR. 20. Defense Department says US military helicopter is fired upon by Czech warplanes after reportedly straying into Czech airspace near Czech-West German border.

MAY 7. USSR announces it will not participate in 1984 summer Olympic Games in Los Angeles due to inadequate security for athletes; US denounces move as unjustified 5/7; 10 other Eastern bloc states follow Soviet lead, announce withdrawal 5/9–5/17; Romania says it will send team to games despite Soviet boycott 5/9; USSR terms boycott irrevocable 5/14; Cuba joins boycott 5/23; South Yemen 5/26, North Korea 5/29 withdraw from games.

MAY 14. USSR announces deployment of new intermediate-range nuclear missiles in East Germany as counter to alleged US military buildup in West Germany.

MAY 20. USSR announces plans to increase number of nuclear-missile submarines patrolling off US; US dismisses change as insignificant 5/22.

MAY 29–31. NATO member states hold spring summit in Washington, DC.

JUNE 10. US carries out successful test of anti-ballistic missile defense system as interceptor missile destroys incoming ICBM test warhead over Pacific test range.

JUNE 14. Dutch Parliament votes to put off decision on deployment of US cruise missiles until 11/1/85, delaying original deployment timetable.

JUNE 19. Italian prosecutors release report implicating Bulgarian and possibly Soviet agents in attempted assassination of Pope John Paul II.

JUNE 21. French President François Mitterrand, in Kremlin visit, presses Chernenko on Sakharov case.

— US says estimated 200 Soviets were killed and major USSR North Fleet naval base seriously damaged in recent munitions-dump explosion at Severomorsk; USSR denies knowledge of explosion 6/22.

JUNE 27. US Navy announces initial deployment of first long-range sea-based cruise missiles.

JUNE 29. USSR, in formal diplomatic note, offers to begin negotiations with US on banning space weapons; US says 6/29 it will join space-weapons talks if included as part of broader arms-control negotiating agenda; USSR denounces US position, rejects broadened talks 7/1.

JULY 17. US and USSR initial agreement to modernize “hot line” between Moscow and Washington.

JULY 21. USSR, in formal proposal, reiterates offer to begin US-USSR talks on banning weapons in space; makes proposal public 7/23; US delivers counteroffer 7/24; USSR rejects US plan 7/27; US submits new proposal 7/28; USSR rejects it 8/1.

JULY 25. East, West Germany agree on new regulations easing conditions on bilateral trade, travel; USSR accuses West Germany of trying to undercut East German socialism 7/27.

— Reagan Administration lifts 1980 ban on Soviet fishing in US waters.

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AUG. 2. Marine guard at US consulate in Leningrad is reportedly beaten by Soviet police.

AUG. 3. US, citing 7/21 Polish amnesty, announces easing of several sanctions imposed 12/81; Poland demands lifting of all sanctions.

AUG. 11. Reagan, testing microphone before radio broadcast, jokes about bombing USSR; USSR, other nations sharply criticize action.

AUG. 22. Four men, including former Navy seaman, are arrested in San Francisco for attempting to sell classified computer information to USSR.

AUG. 25. USSR announces successful test of new long-range ground-launched cruise missile.

SEPT. 4. In apparent response to Soviet pressure, East German leader Erich Honecker postpones visit to West Germany scheduled for 9/26–9/30; West Germany regrets move, reiterates invitation.

SEPT. 9. Secretary of State Shultz, in television interview, offers US-Soviet talks to restrict new weapons in space.

— Bulgarian leader Todor Zhivkov cancels scheduled 9/19–9/22 visit to West Germany.

SEPT. 11. Reagan Administration raises ceiling on Soviet purchases of US grain by 10 million metric tons.

SEPT. 12. Soviet warship captures private US vessel off course in Soviet waters near Alaska; US files protest 9/17; boat, crew are released 9/19.

SEPT. 24. Reagan, in speech to UN General Assembly, urges renewed US-USSR negotiations on arms control, avoidance of regional conflict; Soviet Foreign Minister Gromyko, in harshly worded address, denounces Reagan foreign policy; US terms Gromyko speech “disappointing.”

SEPT. 26. Soviet Foreign Minister Gromyko meets with Secretary of State Shultz in New York; holds unprecedented meeting with Democratic presidential candidate Walter Mondale 9/27; visits White House 9/28 in Reagan’s first meeting with ranking Soviet official; meets again with Shultz 9/29.

OCT. 1. US naval intelligence analyst Samuel L. Morison is arrested for selling secret photographs of Soviet warship to authoritative British naval journal.

OCT. 3. In first such case involving Federal Bureau of Investigation employee, FBI agent Richard W. Miller is arrested for attempted sale of secret documents to USSR.

OCT. 10. White House releases report by arms control advisory committee accusing USSR of repeated violation of existing arms control accords; USSR denounces report as false 10/11.

OCT. 15–16. Romanian leader Nicolai Ceaușescu visits West Germany, deplores superpower missile deployments in Europe, urges broadening of arms negotiations to include European nations where missiles are based.

OCT. 16. Chernenko, in *Washington Post* interview, voices optimism regarding US-Soviet relations, but cites need for concrete US steps toward arms control; US welcomes “positive tone” of remarks.

Nov. 2. Svetlana Alliluyeva, daughter of former Soviet leader Josef Stalin, returns to USSR 17 years after defecting to West.

Nov. 7. Reagan, in post-election press conference, suggests possibility of informal or indirect talks to speed progress toward new US-USSR arms pact; Secretary of State Shultz reiterates US interest in new negotiations 11/7.

Nov. 14. Soviet officials express interest in broadened set of arms talks; US welcomes statements.

Nov. 22. US and USSR announce new round of arms control meetings to begin with talks between Secretary of State Shultz and Soviet Foreign Minister Gromyko in Geneva 1/7/85–1/8/85.

DEC. 17. Soviet soldier Nikolai Ryzhkov announces intention to return to USSR from US 18 months after defecting from Soviet forces in Afghanistan; US says it is satisfied that Ryzhkov’s return is voluntary.

DEC. 18. Soviet Politburo member Mikhail Gorbachev, in address to British Parliament, reiterates Soviet readiness to accept significant nuclear arms reductions, highlights need to halt space-, defensive-weapon programs.

— FBI arrests California aerospace worker Thomas Patrick Cavanagh for allegedly attempting to sell sophisticated Stealth bomber technology to USSR.

— US officials say recent reconnaissance flights by 2 US warplanes near Soviet

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installations in Far East provoked unprecedented Soviet response including launching of more than 100 Soviet aircraft, warships.

DEC. 20. Reagan Administration officials reportedly say US would be willing to give up plans to develop advanced antimissile defenses in return for Soviet concessions on offensive arms; Reagan science advisers 12/22 say plans for space-based defense against enemy nuclear missiles have been scaled back to more modest goal of defending US weapons from disarming strike; Secretary of Defense Weinberger denies both reports 12/23, says defenses will not be used as "bargaining chip," reaffirms project's initial goals.

MIDDLE EAST AND PERSIAN GULF

JAN. 2. France announces plans to withdraw 482 troops from its 1,700-man peacekeeping contingent in Beirut.

JAN. 3. Following personal appeal 1/2 by Rev. Jesse Jackson in Damascus, Syria releases captured U.S. Navy airman Lt. Robert O. Goodman, Jr.; President Ronald Reagan praises Jackson's mission 1/3; Jackson and Goodman return to Andrews Air Force Base 1/4.

— Pentagon acknowledges that up to 700 troops of 1,600-man U.S. peacekeeping force in Beirut are routinely transferred to US naval vessels offshore for safety at night.

JAN. 4. Central Committee of Arab guerrilla organization al-Fatah, meeting in Tunis, expresses "surprise" at reconciliation between leader Yasir Arafat and Egyptian President Hosni Mubarak 12/22/83, but agrees to "reintegration" of Egypt into Arab affairs; Executive Committee of Palestine Liberation Organization (PLO) splits over same issue as 3 hard-line factions walk out of meeting.

— Israeli aircraft bomb suspected Muslim terrorist camps in eastern Lebanon; Lebanese police report 100 dead, 400 wounded in attack, including many civilians.

JAN. 9. Jordanian Parliament, convened by King Hussein, meets for first time in 9 years to consider constitutional provisions regarding West Bank territories occupied by Israel since 1967; Hussein announces major reorganization of government 1/10.

JAN. 7. New fighting breaks out between Lebanese army and Druze Muslim militiamen near Beirut; 2 US marines are wounded by artillery fire near Beirut airport; US marine corporal is killed in ambush 1/8.

JAN. 11. World Zionist Organization executive body rejects nomination of former Israeli Defense Minister Ariel Sharon as director of Israeli immigration program, citing role in 9/15/82 massacre of civilians in Lebanon refugee camps; Sharon denounces decision 1/12.

JAN. 14. Lebanese Christian militia leader Maj. Saad Haddad dies of cancer; top Israeli officials attend funeral in southern Lebanon; retired Lebanese army Maj. Gen. Antoine Lahad replaces Haddad 4/4.

JAN. 16. Defense Department announces reclassification of US troops killed in Lebanon as battle casualties rather than accident victims.

— France announces agreement to sell \$4-billion air defense system to Saudi Arabia.

— King Hussein, in address to Jordanian Parliament, urges new PLO-Jordanian cooperation in peace efforts; Israel deplores speech 1/18, rejects talks with "terrorists."

JAN. 17. Saudi Arabian consul general in Lebanon, Hussein Farrash, is kidnapped in Beirut.

JAN. 18. Unidentified gunmen assassinate Malcolm H. Kerr, president of American University of Beirut, near university office; pro-Iranian terrorist group Islamic Holy War claims responsibility 1/8.

JAN. 19. Organization of Islamic Conference, meeting in Casablanca, votes to reinstate Egypt, whose membership was suspended after signing of 1979 Egyptian-Israeli peace treaty; conference leaders say 1/20 that reinstatement depends on Egyptian adherence to group's positions, including resolution condemning Camp David accords; Egypt accepts membership in conference 1/30, denies changing policy to meet conference demands; formally rejoins Conference 4/2.

JAN. 21. Press reports say US, responding to intelligence information, is increas-

ing defenses against suicide attacks aimed at US warships and diplomatic installations in Middle East.

JAN. 23. US formally declares Iran to be a supporter of international terrorism, tightens controls on Iranian purchases of US goods.

JAN. 26. US officials say US and Jordan are planning joint military task force; King Hussein denies report 1/28, says no such force is in prospect.

JAN. 27. Police scare away 2 armed intruders shortly before large prayer ceremony at mosque in Jerusalem, discover grenades and other explosives left behind; Arab leaders accuse Jewish terrorists of planning major attack.

JAN. 30. Shelling of US outpost in Beirut kills one marine, wounds three others.

FEB. 1. House Democratic caucus approves resolution calling for withdrawal of US marines from Lebanon; Senate Democratic caucus approves similar motion 2/2.

FEB. 2-7. Heavy fighting erupts in Beirut between Lebanese army and Muslim militias; militias overrun most army positions in West Beirut by 2/7.

FEB. 5. Lebanese Prime Minister Shafik al-Wazan and cabinet resign under pressure from Muslim militia leaders.

FEB. 7. Reagan orders redeployment of US peacekeeping forces to ships off Lebanese coast, authorizes new air, naval strikes against militia positions near Beirut; UK, Italy announce withdrawal from peacekeeping mission 2/8.

FEB. 8. US battleship *New Jersey* barrages pro-Syrian positions near Beirut, firing more than 250 one-ton shells from its largest 16-inch guns.

— UK withdraws troops from Beirut peacekeeping forces.

FEB. 13-15. Druze militias force Lebanese army from remaining positions south of Beirut; US ships 2/16 evacuate Lebanese army units stranded in coastal city of Saadiyat during retreat.

FEB. 15. White House releases formal plan for withdrawal of US peacekeeping forces from Beirut by 3/15/84.

FEB. 16. Lebanese President Amin Gemayel offers to renounce 5/17/83 peace treaty with Israel as part of new peace plan with Syria, Muslim opposition groups; Syria, opposition leaders reject plan 2/17.

— Druze militiamen display evidence of alleged 9/83 massacre of Druze civilians by Christian militiamen in Shouf mountains.

FEB. 18. *New York Times* says Reagan Administration held secret talks with Palestine Liberation Organization (PLO) through intermediary 8/81-5/82; Shultz confirms report 2/22.

— Libyan crowd burns Jordanian embassy in Tripoli protesting Washington meeting between Reagan, Hussein, Mubarak; Jordan blames Libyan government, breaks diplomatic relations 2/22.

FEB. 20. Italy withdraws peacekeeping troops from Beirut.

FEB. 21. US marines in Beirut begin redeployment to ships offshore; withdrawal termed complete 2/26.

FEB. 22. Reagan, in televised press conference, reaffirms support for Gemayel government in Lebanon, says marines will return to Beirut if needed.

FEB. 23. Top Israeli banking executive Yaakov Levinson commits suicide hours after police establish commission to investigate allegations of high-level banking fraud, manipulation of political funds.

— Saudi Arabian intermediaries announce cease-fire among warring factions in Beirut; truce efforts fail as fighting worsens 2/24.

FEB. 26. Jordan King Hussein and PLO Chairman Arafat meet in Amman to discuss potential peace initiatives; talks end with no significant progress 3/1.

FEB. 27. Iraq announces blockade of Iranian oil facilities on Kharg Island.

MAR. 1. Secretary of State Shultz, in Senate testimony, blames Congress for undercutting US peacekeeping efforts in Beirut.

MAR. 5. Lebanon formally abrogates 5/17/83 troop withdrawal agreement with Israel; Israel condemns move; US expresses disappointment.

— US formally accuses Iraq of using chemical weapons in war with Iran; International Red Cross team confirms evidence against Iraq after examining Iranian troops wounded in Iraqi attacks allegedly involving chemical weapons.

MAR. 12. Lebanese President Gemayel opens reconciliation talks in Lausanne, Switzerland, with leaders of 8 factions fighting in Beirut; negotiators reach agreement 3/13 on nationwide cease-fire; Druze and Shi'ite leaders offer peace plan 3/

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14 including collective leadership, increased Muslim participation in government; conference ends without agreement 3/20.

— Jordan, for first time since 1967, holds elections for vacancies in 60-member national Council of Delegates.

MAR. 14. Arab League nations, in emergency meeting, denounces Iran, urges ban on all military sales to Iran.

— Jordan King Hussein, in interview, denounces US policy for pro-Israeli bias, rejects peace negotiations with Israel.

MAR. 21. Reagan announces decision to cancel proposed sale of portable anti-aircraft missiles to Jordan, Saudi Arabia in face of strong congressional opposition.

MAR. 22. Israeli Knesset, in setback for ruling Likud government, approves opposition motion for early elections; election date set for 7/23.

MAR. 24. France announces decision to withdraw peacekeeping troops from Beirut; withdrawal is completed 3/31.

MAR. 26. UN science team releases unanimous report documenting Iraqi use of chemical weapons against Iran; US bans sale of chemical-weapons ingredients to Iraq 3/30; UK follows suit 4/12.

MAR. 26-30. British Queen Elizabeth II visits Jordan.

MAR. 27. Kuwait sentences 6 persons to death for role in 1983 bomb attacks on US, French embassies.

MAR. 30. US warships leave Beirut coast, ending US participation in peacekeeping mission.

APR. 9. Warring groups in Beirut announce agreement on new plan for disengagement of forces, including establishment of joint monitoring committee; truce observers take position 4/19-4/24 as sporadic fighting continues.

APR. 12. Israeli bus carrying 35 passengers is commandeered by 4 Palestinians; one hostage is killed as police storm bus 4/13, killing hijackers; press reports, citing censored news photographs, say one hijacker was captured alive, later beaten to death by police.

APR. 17. Turkey exchanges ambassadors with Turkish Cypriot Republic.

APR. 19. Egypt, USSR agree to renew diplomatic relations after 3-year lapse.

APR. 19-20. Lebanese President Gemayel meets with Syrian President Assad in Damascus; reportedly reach agreement on fundamentals of power-sharing arrangements among warring Lebanese factions.

APR. 25. Israel accuses US newspaper correspondent of violating military censorship in reporting charges that police executed hijacker allegedly captured in 4/13 bus incident; Defense Ministry establishes commission 4/27 to investigate press claims.

APR. 29. Israel says it has uncovered plan by Jewish terrorists to attack Arab buses in Israel, arrests up to 21 suspected extremists involved in plot.

MAY 18. US special ambassador to Mideast Donald Rumsfeld resigns; post left vacant.

MAY 20. Arab League, in emergency session in Tunis, approves resolution Iran of aggression against Saudi and Kuwaiti oil tankers in Persian Gulf; Syria, Libya dissent, but do not invoke league rules to challenge resolution.

MAY 23. Israel brings criminal charges against 25 Israelis for alleged involvement in terrorist attacks against Arabs in occupied West Bank; charges 2 Israeli army officers 5/24 in similar attacks.

MAY 27. National Democratic Party of President Mubarak, in Egyptian general elections, wins 73% of popular vote, 391 of 448 contested parliamentary seats.

MAY 28. Israeli Defense Ministry acknowledges that 2 of 4 Arab hijackers killed in 4/13 bus incident were captured alive, beaten to death by security police; government promises formal criminal proceedings.

MAY 29. Reagan Administration, citing increased dangers of deepening Iran-Iraq conflict, approves emergency sale of 400 Stinger anti-aircraft missiles to Saudi Arabia.

MAY 31. Iran offers \$1.50/barrel discount on oil shipped from Kharg Island to offset increased insurance rates on oil tankers entering Persian Gulf.

JUNE 1. UN Security Council votes [13-0-2] to condemn Iranian attacks on Persian Gulf shipping.

JUNE 5. Saudi Arabian F-15 fighters directed by US surveillance plane reportedly shoot down 2 Iranian warplanes when they approach protected shipping lanes in

Persian Gulf off Saudi coast; Iran lodges formal protest 6/6; US says 6/12 new information shows only one Iranian plane was downed.

JUNE 10. Iran and Iraq, following appeal by UN Secretary-General Javier Pérez de Cuéllar, agree to end air, artillery attacks against civilian targets.

JUNE 12. Prime Minister Rashid Karami and cabinet win vote of confidence in Lebanese Parliament as Beirut violence worsens.

JUNE 23. Lebanese Parliament approves plan to restructure army, establish new coalition military council among warring groups.

JUNE 28. Israel, Syria carry out first prisoner exchange since 1974.

JULY 4-7. Lebanese army redeploys in Beirut, assuming control from militia factions; begins destruction 7/5 of Green Line wall separating Muslim, Christian sections of Beirut.

JULY 10-11. Organization of Petroleum Exporting Countries members meet in Vienna, reaffirm price, production levels, grant small production increase to Nigeria.

JULY 11. Kuwait announces agreement to purchase \$327 million in weapons from USSR.

JULY 23. Labor alignment wins 44 seats, Likud coalition wins 41 seats in elections to 120-seat Israeli Knesset; President Chaim Herzog asks Labor Party leader Shimon Peres 8/5 to form new government.

AUG. 2. US minesweeping team arrives to help find mines that have damaged at least 12 ships 7/27-8/2 in Red Sea; official Iran radio praises minings, implies Iranian support 8/7; Iranian leader Ayatollah Ruhollah Khomeini denounces radio report, denies Iranian involvement 8/9; Egyptian President Mubarak 8/13 says Libya, Iran may have planted mines; Libya, Iran deny charges 8/12; French, British minesweepers arrive to assist search 8/14.

AUG. 15. Syrian military units occupy Lebanese city of Baalbek, ousting Iranian terrorist faction and other Muslim radical groups based in area.

AUG. 23. Lebanese army chief of staff Gen. Nadim el-Hakim, a Druze, is killed in helicopter crash; Druze militia leaders demand investigation, suggest death was assassination.

AUG. 29. Lebanese Christian Phalange party founder Pierre Gemayel, father of President Amin Gemayel, dies; replaced as party leader by Elie Karameh.

SEPT. 3. Two Iranian judges on claims tribunal established to resolve outstanding US financial claims against Iran physically assault Swedish judge, accusing him of pro-US bias; US demands removal of Iranian attackers; panel adjourns 9/6 pending resolution of dispute.

SEPT. 6. US, casting lone negative vote, vetoes UN Security Council resolution demanding Israeli withdrawal from Lebanon.

SEPT. 13. Ending 7-week stalemate, Labor Party leader Shimon Peres and Likud coalition head Yitzhak Shamir agree to form government of national unity in which they will alternate jobs as prime minister and foreign minister, respectively, halfway into 51-month term; unusually large coalition cabinet is named 9/13; Knesset endorses arrangement 9/14.

SEPT. 16. Israeli government devalues shekel, announces plans for broad economic austerity program.

SEPT. 20. Suicide car-bomb attack damages US embassy building near Beirut, killing 8; Iranian terrorist group Islamic Jihad claims responsibility; Senate investigation into attack 10/31 blames deaths on incomplete security measures at site.

— Druze soldiers from Israeli-backed militia kill 13 Shi'ite civilians in revenge attack; Lebanese government blames Israel for permitting attack 9/22.

SEPT. 25. Jordan says it will reestablish diplomatic ties with Egypt; Israel, US praise reconciliation 9/26; Libya, other Arab states condemn announcement.

OCT. 3. Egypt formally abrogates inoperative 1971 merger agreement linking Egypt, Syria, Libya.

OCT. 4. US intelligence officials say Lebanon-based Hizballah terrorist faction was responsible for 9/20 embassy car-bombing, other attacks on US installations in region.

OCT. 9. Israeli Prime Minister Peres and Reagan, meeting in Washington, announce establishment of Joint Economic Development Group to monitor Israeli economic status, enhance austerity, recovery efforts.

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OCT. 12. UN Security Council extends term of UN peacekeeping forces in southern Lebanon additional 6 months.

OCT. 15. Israel says US has postponed upcoming \$500-million debt payment; US denies agreement 10/15.

OCT. 25. Secretary of State Shultz, in address, endorses retaliation against terrorists, even in some cases where safety of innocent persons cannot be ensured.

OCT. 28. One Arab is killed, 10 wounded as Arab bus in Jerusalem is hit by antitank rocket in one of series of terrorist attacks against Arabs living in Israel; Prime Minister Peres condemns killings, promises determined hunt for attackers; Israeli soldier is arrested, confesses to attack 11/4 as revenge for Arab violence against Jews.

OCT. 31. Israel, Lebanon agree to new talks on withdrawal of Israeli military units from southern Lebanon; Syria endorses meetings, but refuses to participate, rejects any guarantee of Israeli border security; talks begin under heavy security 11/8.

NOV. 2. Israeli government wins agreement from business, labor groups on 3-month wage, price freeze as part of new austerity program.

NOV. 22-29. PLO National Council meets in Amman, Jordan, despite boycott by Syrian-backed factions; meeting reaffirms support for Arafat as PLO chairman; King Hussein, at meeting 11/22, proposes peace plan based on Palestinian self-determination, UN Resolution 242.

NOV. 26. Former Syrian security head Rifaat al-Assad, brother of President Hafez al-Assad, returns to Syria after 5-month exile in USSR, Europe.

NOV. 26. US, Iraq reestablish diplomatic relations following 17-year hiatus.

NOV. 29. Persian Gulf Cooperation Council states announce establishment of joint rapid-response strike force to enhance mutual defense capabilities.

DEC. 4. Kuwaiti passenger flight carrying 161 persons is commandeered by 4 Arab hijackers, ordered to Teheran; hijackers demand freedom for 17 Arabs imprisoned in Kuwait for attacks on US, French missions, kill 2 US hostages to dramatize demands 12/4, 12/6; Iranian police storm jet, free hostages 12/9; US accuses Iran of supporting hijackers, demands extradition 12/11; returning hostages contradict US claim 12/11; Iran rejects US extradition request 12/12, says 12/18 it will try hijackers; US 12/18 demands public trial.

DEC. 17. Israel denies entry to 6 West German Green Party members, citing past terrorist connections.

DEC. 19. Israel asks US for record \$4.1 billion in aid for FY 1986; US rejects request 12/21 pending stiffer Israeli program of economic austerity.

DEC. 29. Top PLO official Fahad Kawasmeh is assassinated in Amman, Jordan.

SOUTH ASIA

JAN. 5. Pakistan People's Party abandons 19-week protest against martial law in Sind province; press reports say at least 60 people died in protest-related violence.

JAN. 10. After 2 years in detention, daughter of former Prime Minister Zulifkar Ali Bhutto is allowed to emigrate from Pakistan for medical reasons.

— Representatives of Sinhalese majority and Tamil minority open talks in Sri Lanka aimed at quelling ethnic violence and resolving Tamil demands for autonomous state; Tamil terrorists kill 2, wound 3 in rural town in attempt to disrupt talks 1/11.

JAN. 14. Police in Indian state of Jammu and Kashmir reportedly kill 9 supporters of ruling Congress (I) Party during demonstrations against state government; Congress (I) Party leaders call 1-day general strike 1/19; 200 more party members injured in renewed riots 1/24.

FEB. 3. Previously unknown Kashmir Liberation Army kidnaps Indian diplomat Ravindra Mhatre in Birmingham, England, demanding \$1.5-million ransom and release of terrorist leader Maqbool Butt, other political prisoners in Indian state of Kashmir; Mhatre is killed 2/5 when Indian government refuses ransom demands; UK announces increased protection of Indian diplomats 2/6.

FEB. 8. Two persons are killed in violence during strike called by Sikh party in Indian state of Punjab; second strike called by right-wing Hindu group 2/14 claims

9 lives; violence worsens 2/14-2/23 as more than 60 are killed in Sikh-Hindu clashes.

FEB. 9. Pakistani nuclear-science head Abdul Quadir Khan says Pakistan has capability to enrich uranium, produce nuclear weapon; Pakistan President Muhammad Zia ul-Haq on 2/13 says country has no plans to build bomb.

FEB. 11. Kashmir terrorist leader Butt is executed in New Delhi on charges stemming from killing during bank holdup; official Pakistani press denounces execution as "cowardly act."

FEB. 23. Indian President Zail Singh, opening joint session of Parliament, appeals for end to religious violence in Punjab; government deploys army troops around Golden Temple Sikh shrine in Amritsar 2/26; 3 persons are killed, 35 wounded as grenade explodes during Hindu procession 2/29.

FEB. 29. Bangladesh President Hossein Mohammed Ershad announces national elections to be held 5/27/84; 2 die, 150 injured 3/1 as strike protesting Ershad's rule ends in violence.

MAR. 4. Indian government authorizes emergency police powers in violence-torn Punjab province; bans major Sikh militant groups 3/20.

MAR. 9. At conclusion of visit by large Soviet military delegation, India announces purchase of major arms package from USSR including advanced combat aircraft, naval weapons systems, and ground arms.

MAR. 26. Bangladesh President Ershad lifts ban on political activities imposed 11/83, frees over 200 political prisoners.

MAR. 28. Seven persons are killed in crossfire as Tamil guerrillas ambush Sri Lankan military detachment near crowd; 2 Sinhalese officials are killed by Tamil guerrillas 3/29.

MAR. 29. Ruling Congress (I) Party of Prime Minister Indira Gandhi, in elections, gains 20 new seats for total of 152 in 244-member upper house of Indian Parliament.

— Bangladesh President Ershad names Ataur Rahman Khan as nation's prime minister.

MAR. 31. Indian government, in response to continued unrest by Sikh separatists in Punjab province, agrees to amend Indian constitution to recognize Sikhism as independent religion; sends more troops to reinforce military contingent in province.

APR. 3. Indian Air Force pilot Rakesh Sharma, launched with 2 Soviet cosmonauts aboard Soyuz T-11 spacecraft, becomes first Indian in space; mission ends safely 4/11 after successful docking with orbiting Salyut 7 space station 4/4.

APR. 5. Indian President Gandhi issues decree imposing emergency powers in violence-torn Punjab state, permitting detention without charges, 2-year imprisonment without trial.

APR. 7. Moderate Sikh leader Harchand Singh Longowal warns Indian government of growing Sikh unrest, says major uprising in Punjab may be inevitable.

APR. 8. Senate Foreign Relations Committee staff report urges increased US assistance to Afghan rebels, US recognition of rebel government-in-exile if opposition groups can join in unified force.

APR. 10. Sri Lankan government imposes curfew in northern city of Jaffna after 22 die in growing violence 4/8-4/10; Tamil guerrillas burn down police station, Buddhist temple in response 4/11.

APR. 18. Sri Lankan President Junius R. Jayewardene extends state of emergency in wake of continued ethnic violence; Western press reports say army has killed more than 200 suspected Tamil terrorists 4/13-4/21.

APR. 21. Soviet and Afghan units, backed by heaviest Soviet bombing attacks in Afghan conflict, begin major drive against Afghan guerrilla positions in Panjshir Valley north of Kabul; rebels reportedly withdraw from main valley, but retain control of side valleys 5/1; reports 5/29 say guerrillas down helicopter in side valley, killing visiting Soviet general.

APR. 27. Pakistan severely restricts Muslim-breakaway Ahmedi sect, banning proselytizing, public calls to prayer, use of Muslim terminology.

MAY 2. Sri Lanka, citing higher export earnings, suspends negotiations on \$50-million IMF loan.

MAY 9. After 7-week recess, national reconciliation talks begun 1/10 resume between Tamil and Sinhalese factions in Sri Lanka.

MAY 11. Tamil extremists kidnap US couple in Sri Lankan city of Jaffna, de-

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manding \$2-million ransom and release of 20 Tamil prisoners; Sri Lankan government rejects demands 5/12; Indian Prime Minister appeals for victims' release 5/14; couple freed unharmed 5/15.

MAY 12. Bangladesh President Ershad, citing continued disagreement over timing of elections, postpones scheduled 5/27 presidential and parliamentary balloting until winter; opposition leaders denounce move 5/14.

MAY 15. Vice President George Bush, visiting Pakistan-Afghan border region, tells Afghan refugees "you are not alone," condemns Soviet presence in Afghanistan.

MAY 17. Violence erupts between Hindu and Muslim factions in Bombay and southwestern Indian state of Maharashtra; government sends 6,000 troops to area 5/19; Prime Minister Gandhi visits region, appeals for calm 5/21; press reports say 228 have died, 6,500 have been arrested by 5/28.

MAY 20, 21. Ruling Congress (I) Party of Prime Minister Gandhi suffers setback in state legislature by-elections, winning only 8 of 24 seats at stake; Gandhi's estranged daughter-in-law Maneka Gandhi wins seat, announces plans to challenge Prime Minister's son Rajiv Gandhi for his parliamentary seat in 1/85 national elections.

MAY 31. Sikh separatists announce intention to blockade all food, water and power supplied to India from state of Punjab; at least 22 die in growing violence between Sikh militants and police 5/31-6/5; Indian government declares Punjab a "restricted area" 6/2, imposes shoot-on-sight curfew 6/3.

JUNE 6. Indian army storms Golden Temple of Amritsar in attempt to end continued ethnic violence by Sikh extremists in Punjab state; official figures report 576 killed, including 48 Indian soldiers and charismatic Sikh leader Jarnail Singh Bhindranwale; army reports capture of more than 450 Sikh militants; Indian opposition leaders praise move; news of attack sparks violent protests by Sikh groups throughout country 6/7.

JUNE 9. Several units of Sikh troops in Indian army desert in protest of government's 6/6 attack on Golden Temple; Prime Minister Gandhi declares rebellion under control 6/13; news reports 6/17 say up to 5,000 Sikh troops have deserted, 103 have been killed in fighting with police, army.

JUNE 11. Sri Lanka imposes censorship on all press coverage of Tamil separatists; lifts restrictions on foreign press 7/6.

JUNE 18. Pakistan bans payment of interest by banks, including foreign banks, as violation of Muslim law.

JUNE 21. India lifts most emergency restrictions in Punjab; Golden Temple complex reopened for worship 6/25.

JUNE 27. Two deserters from Soviet force in Afghanistan, seeking asylum in UK, appear at news conference to denounce Soviet intervention, tell of atrocities against Afghan civilians.

JULY 2. In move supported by Prime Minister Gandhi, Chief Minister of Indian state of Jammu and Kashmir is dismissed when 12 legislators transfer support to rival; strikes and violent demonstrations erupt to protest ouster 7/3-7/4.

JULY 5. Eight Sikh separatists hijack Indian Airlines domestic flight, demanding \$25 million in reparations for 6/6 Golden Temple attack, release of Sikh prisoners; India rejects demands; hijackers surrender in Lahore, Pakistan 7/6, releasing hostages unharmed.

AUG. 2. Airport bombing in Madras, India, kills 31 shortly after arrival of Sri Lankan passenger plane; Sri Lanka blames Tamil extremists, proposes joint Sri Lankan-Indian inquiry 8/4; India rejects proposal 8/7.

AUG. 4. New ethnic violence erupts between Sinhalese troops and Tamil separatists in Sri Lankan city of Jaffna, leaving up to 150 persons dead by 8/20.

AUG. 16. In move apparently ordered by Indian Prime Minister Gandhi, governor in Indian state of Andhra Pradesh dismisses former film star Nandamuri T. Rama Rao as state's chief minister, sparking violent protests in which at least 27 die; governor, citing protests, resigns 8/24; Rama Rao wins test of legislative majority, is reinstated 9/16.

AUG. 17. Sri Lankan government convenes new talks aimed at conciliating Tamil separatists; alleging continued government repression of Tamil movement, Tamil United Liberation Front walks out of talks 8/17.

SEPT. 29. Indian military forces complete withdrawal from Sikh temple occupied since 6/6; reenter shrine briefly 10/1 to put down protest by militant Sikhs.

OCT. 14. Estimated 2 million demonstrators in Dhaka, Bangladesh, protest against military government.

OCT. 31. Indian Prime Minister Indira Gandhi is assassinated by 2 Sikh bodyguards in New Delhi; her son, Rajiv, is sworn in to replace her; hundreds of Sikhs are killed in violent reaction against sect throughout India; USSR hints of US support for assassination; US condemns suggestion 11/1; Gandhi's body cremated in ritual Hindu ceremony 11/3.

Nov. 12. Rajiv Gandhi is unanimously elected leader of Indian Congress (I) Party.

Nov. 30. Estimated 150 persons are killed as Tamil guerrillas attack 2 prison facilities in northern Sri Lanka.

DEC. 3. Poisonous gas leak at Union Carbide India pesticide plant in Bhopal, India, kills over 2,000 persons, injures estimated 50,000 more in nearby slum neighborhoods; India files criminal charges against Union Carbide management 12/6, arrests US Union Carbide chairman Warren Anderson during attempted visit to plant site 12/7; Anderson is released, told to leave country 12/7.

DEC. 22. Anti-government demonstrators in Bangladesh stage 2-day nationwide strike; police fire on crowd of protesters in Dhaka, killing at least 3 persons.

DEC. 28. Congress (I) Party wins unprecedented landslide victory in Indian national elections, taking 401 seats in 508-member lower house of Indian Parliament; party leader Rajiv Gandhi retains prime ministry, forms new cabinet 12/31.

EAST ASIA AND THE PACIFIC

NORTHEAST ASIA

JAN. 11. North Korea proposes new talks with US, South Korea on Korean reunification; South Korea rejects proposal, demanding North Korean apology for 10/9/83 bomb attack against South Korean leaders visiting Burma.

JAN. 30. Japan and US sign 3-year agreement permitting US telecommunications firms to compete with Japanese on equal basis in winning share of domestic Japanese market.

MAR. 16. Japanese cabinet endorses \$4.3-million sale of high-technology equipment for first Chinese nuclear power reactor.

MAR. 23-26. Japanese Prime Minister Yasuhiro Nakasone visits Beijing; offers \$2.1-billion low-interest loan package for industrial modernization 3/23; Chinese Communist Party General Secretary Hu Yaobang, in departure from tradition, holds luncheon for Nakasone in own home.

APR. 7. US and Japan reach agreement on new quotas for US beef and fruit exports to Japan.

APR. 9. Meeting between North and South Korean sports officials breaks up when North Korean delegation walks out, accusing South Koreans of slander.

APR. 24. Japanese Nippon Kokan steel company announces it will acquire major interest in US National Intergroup steel firm.

MAY 6. Provoking assassination scare, South Korean student fires toy pistol at Pope John Paul II during visit to Seoul.

MAY 9. Vice President George Bush, in Tokyo, urges lower Japanese import tariffs, liberalization of Japanese financial markets.

MAY 23-25. President Kim Il Sung and other top North Korean officials, apparently seeking new economic, military aid, visit USSR in first such trip since mid-1960s.

MAY 29. US and Japan announce agreement on reforms designed to strengthen yen and open Japanese financial markets, including creation of international Euroyen market.

JULY 13. Japanese government approves plans for development of indigenous Japanese booster rocket capable of launching commercial satellites.

AUG. 18. South Korea says it has reestablished nonpolitical contacts with USSR that were broken following 9/1/83 downing of Korean Air Lines passenger jet by Soviet warplanes.

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AUG. 23. Citing ill health, Mongolian People's Revolutionary Party leader Yumjaagiyn Tsendenbal resigns; is replaced by Prime Minister Jambyn Batmunkh.

SEPT. 6-8. South Korean President Chun Doo Hwan visits Japan in first such visit since 1945 end of Japanese colonial rule.

SEPT. 29. In unusual friendship gesture, North Korea begins delivery of relief supplies to South Korea in aftermath of torrential rains, widespread flooding earlier in month.

OCT. 29. Prime Minister Yasuhiro Nakasone is elected to second term as leader of Liberal Democratic Party; names new cabinet 10/31.

NOV. 14. Crowd of South Korean students occupies headquarters of ruling Democratic Justice Party in Seoul to demand return to democracy; police arrest 264 persons.

NOV. 15. North and South Korean negotiators meet in Panmunjom to begin new talks on economic, trade issues; second meeting date set for 12/5.

NOV. 23. One South Korean, 3 North Korean soldiers die in border skirmish after Soviet tourist Vasily Matuzok defects to South by crossing boundary at Panmunjom; second Soviet attempting to defect with Matuzok is reportedly killed by North Korean guards; North Korea 11/24 accuses US of provoking incident, kidnapping Soviet; South Korea blames North Koreans for sparking shoot-out; North Korea 11/27 cancels scheduled 12/5 North-South talks.

DEC. 18. South Korean opposition leader Kim Dae Jung, in Washington, announces intention to return to South Korea despite charges pending against him.

SOUTHEAST ASIA, AUSTRALIA AND THE PACIFIC

JAN. 1. Sultanate of Brunei gains full independence from Great Britain, adopting official name "Brunei Darussalam"; new nation joins Association of Southeast Asian Nations (ASEAN) 1/7.

JAN. 4. Philippine military halts own probe into 8/21/83 assassination of Benigno S. Aquino Jr. following allegations that it had obstructed civilian panel named to investigate killing.

JAN. 27. Khmer Rouge guerrillas claim capture of Kampuchean town of Siem Reap, destruction of Vietnamese military facilities; withdraw 1/28.

FEB. 1. Malaysian sultans elect Sultan of Johore as nation's king.

FEB. 26. Laban party of assassinated Philippine opposition leader Aquino votes to participate in 5/84 parliamentary elections despite boycott by other opposition groups.

FEB. 29. Citing need for improved political, human rights in Philippines, House Foreign Affairs Committee cuts \$60 million from \$85-million White House request for military aid to Marcos government, designates deleted funds for use as economic aid only.

MAR. 7. More than 50,000 Philippine protestors march in Manila against "dictatorship" of President Ferdinand E. Marcos.

MAR. 12. Indonesia and foreign banks reach agreement on \$750 million in new loans.

MAR. 18. Three Soviet military advisers are reportedly killed by land mine set by Khmer Rouge guerrillas.

MAR. 26. Vietnamese Foreign Minister Nguyen Co Thach announces 5-point plan for peace in Kampuchea, including withdrawal of Vietnamese troops from country, "elimination" of Khmer Rouge guerrillas, free elections excluding Khmer Rouge leader Pol Pot; other resistance group leaders Son Sann and Prince Norodom Sihanouk reject plan.

APR. 2. China says it has shelled Vietnamese border positions in retaliation for border provocations; claims 4/5 that 35 Vietnamese were killed or wounded after crossing border to plant mines in Chinese territory.

— Swiss ecological groups say largest recorded fire in history destroyed an estimated 13,500 square miles of forest in eastern Borneo between 2/83 and 6/83.

APR. 4. Malaysian legislators approve law establishing broad new powers of press censorship, regulation.

APR. 6. Vietnam claims 2,000 Chinese troops have invaded Vietnamese border zone; says it has repelled invasion force 4/7.

APR. 14. Vietnam begins major military offensive against Kampuchean nation-

alist guerrillas; estimated 100,000 Kampuchean refugees cross into Thailand to flee fighting; US denounces Vietnamese attacks 4/17.

APR. 15. Estimated 250,000 demonstrators participate in peace marches throughout Australia protesting against nuclear weapons.

MAY 14. New Society Movement of President Marcos wins 102 of 183 contested seats in elections to 200-member Philippine National Assembly; opposition seats increase to 62 from 14; rally promoting boycott of elections is broken up by Manila police 5/14; military says 5/16 over 90 persons died in election-related violence 5/13-5/16, most in fighting between army and communist guerrillas; Marcos, in television address 5/20, says election results provide "new mandate" for his government; opposition leaders, alleging election fraud, threaten 5/22 to boycott new Assembly, demand new elections in 51 races.

JUNE 5. Philippine government adopts austerity program, devaluing peso by estimated 22%, imposing excise tax on foreign exchange sales, and raising import surcharges.

JUNE 17. UN High Commissioner for Refugees says number of refugees fleeing Vietnam by boat has tripled; in 7/4 interview says episodes of piracy, brutality against them has reached "horrifying" proportions.

JUNE 23. Vietnam announces withdrawal of 3,000 troops from estimated 180,000-man Vietnamese military force in Kampuchea.

JULY 9-13. Ruling Australian Labor Party, in biennial convention, rejects proposed resolution advocating withdrawal from Australia-New Zealand-U.S. (ANZUS) defense pact, softens party position on independence for East Timor.

JULY 14. New Zealand Labor Party wins 55 seats in 95-member Parliament, defeating incumbent National Party; Labor Party leader David Lange replaces Sir Robert Muldoon as prime minister 7/26, also assumes foreign affairs portfolio.

JULY 17. Vietnam returns remains of 8 US servicemen listed as missing in Vietnam War, reportedly agrees to new talks aimed at resolving cases of 2,490 other US personnel missing in war.

AUG. 1. New Zealand breaks diplomatic ties with South Africa to protest segregationist policies.

AUG. 21. Estimated 450,000 persons participate in demonstrations in Manila marking first anniversary of killing of Philippine opposition leader Aquino.

SEPT. 2. Typhoon Ike hits Philippines, killing at least 1,300 and leaving more than 1 million homeless.

SEPT. 6. New link is opened between Chicago Mercantile Exchange and Singapore International Monetary Exchange, allowing first overnight overseas trading of futures contracts.

SEPT. 11. Reagan Administration says it is willing to admit thousands of Vietnamese political prisoners and children fathered by US servicemen during Vietnam War.

SEPT. 12. At least 20 die in widespread Jakarta riots following Muslim protest against alleged police repression.

SEPT. 20. Australian Prime Minister Bob Hawke breaks into tears during press conference concerning organized crime; Hawke's wife, in 9/24 interview, says weeping incident stemmed from discovered heroin addiction of Hawke's daughter and son-in-law.

SEPT. 29. US Senate staff releases report questioning ability of Philippine President Marcos to retain power in face of continued political unrest, economic difficulty.

OCT. 13. Philippines announces agreement with IMF on \$630 million in new loans; announces related agreement with international banks 11/5 on new \$925-million commercial loan package.

OCT. 23. Chairwoman of panel established to investigate death of Philippine opposition leader Aquino, releases report accusing military of conspiring to murder Aquino; remaining 4 panel members release separate report 10/24 specifically accusing armed forces chief Gen. Fabian C. Ver, other high officers of complicity in assassination plot; Ver takes leave of absence to defend against charges 10/24; Marcos refers report to Justice Ministry for prosecution 10/24; US praises Marcos action 10/24.

NOV. 14. Prominent Philippine mayor and Marcos opponent Cesar Climaco is

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killed by unidentified gunman; opposition leaders denounce assassination, hint of government involvement.

Nov. 26. Philippine President Marcos makes first public appearance in 2 weeks, ending widespread rumors of ill health, death.

Nov. 29. New Zealand opposition National Party leader Robert Muldoon defeated in reelection bid for party head by Jim McLay.

DEC. 1. Australian Labor Party wins reduced majority in national parliamentary elections, gaining 82 of 148 House of Representatives seats; cabinet reorganized. 12/11

DEC. 22. Ruling People's Action Party wins 47 of 49 contested seats in elections for 79-member Singapore Parliament.

DEC. 25. Vietnamese Army launches major assault on 4 Kampuchean rebel camps along Thai-Kampuchean border; capture largest guerrilla camp 12/26 using infantry, armor; US denounces operation 12/26.

DEC. 26. Group of 12 prominent Philippine opposition leaders sign joint declaration pledging unified efforts against Marcos regime, urging legalization of Communist party, reconsideration of foreign basing, economic ties.

CHINA AND TAIWAN

JAN. 12. US and China, during visit to US by Chinese Prime Minister Zhao Ziyang, sign agreements extending current scientific exchanges and initiating new cooperation in industry, trade.

JAN. 23. Press reports say China has abandoned campaign begun 10/83 to rid China of Western influences.

JAN. 25. China reports total of \$1.3 billion in foreign direct investment during 1983; announces plans 1/28 to spend up to \$1 billion to acquire Western technology and equipment in 1984.

FEB. 1. China restores full diplomatic ties with the Netherlands, downgraded in 1981 following Dutch decision to sell 2 submarines to Taiwan.

FEB. 7. Press reports say China has offered to store spent fuel, other nuclear waste from European nuclear reactors as part of plan to boost foreign currency earnings.

FEB. 10. China and USSR sign \$1.2-billion trade agreement providing 50% increase in bilateral trade through end of 1984.

FEB. 27. Federal judge, citing public interest, sets aside 1982 court judgment against China regarding recovery of \$43 million in imperial Chinese railway bonds issued in 1911.

MARCH 14. Hong Kong Legislative Council unanimously approves resolution demanding role in UK-Chinese negotiations over colony's future.

MAR. 21. Taiwan National Assembly reelects Kuomintang leader Chiang Ching-kuo to second 6-year term as nation's president.

— US and China reach accord on treaty governing taxation of firms conducting business in both countries.

MAR. 23-26. Japanese Prime Minister Yasuhiro Nakasone visits Beijing; offers \$2.1-billion low-interest loan package for industrial modernization 3/23; Chinese Communist Party General Secretary Hu Yaobang, in departure from tradition, holds luncheon for Nakasone in own home.

MAR. 28. Largest trading firm, Jardine, Matheson & Co., announces transfer of legal headquarters to Bermuda, insists it will retain working headquarters in Hong Kong; colony's Hang Seng stock index falls nearly 62 points 3/29.

APR. 20. UK Foreign Secretary Sir Geoffrey Howe, after 4/15-4/18 visit to China, says UK will relinquish control over Hong Kong when lease expires in 1997, but insists Hong Kong will retain important autonomy under Chinese control.

APR. 26-MAY 1. Reagan, in first trip to Communist country, visits China; meets with Chinese leader Deng Xiaoping 4/28; signs 3/21 tax agreement, other accords on nuclear cooperation, scientific, economic relations 4/30.

MAY 9. USSR, citing need for further preparations, abruptly postpones scheduled 5/10 visit to China by high-ranking Soviet officials, declines to set new date.

MAY 15-31. Chinese National People's Congress, in annual meeting, endorses broad program of economic reforms, including worker incentives, increased man-

agerial authority, greater emphasis on market forces; Chinese Army chief Yang Dezhi announces manpower reductions, restoration of military ranks 5/22.

MAY 25. Chinese leader Deng, contradicting earlier government statements, stresses China's right to station troops in Hong Kong following restoration of Chinese sovereignty in 1997; Hong Kong's Hang Seng stock index drops 30 points 5/26.

JUNE 14. US, at end of visit by Chinese Defense Minister Zhang Aiping, announces agreement "in principle" on sale to China of US antiaircraft, antitank weapons.

JUNE 15. White House spokesman, citing Chinese support for Pakistani nuclear programs, warns that 4/30 US-Chinese nuclear cooperation accord will not be sent to Congress without new guarantees that China will not aid emergence of new nuclear-weapon states.

AUG. 1. China and UK, after visit to Beijing by UK Foreign Secretary Sir Geoffrey Howe 7/27-7/31, announce accord on future of Hong Kong, ensuring continued economic freedoms, retention of colony's legal, educational system after transfer of sovereignty in 1997; Hang Seng stock index rises 66.95 points 8/2; draft agreement initialed by both parties 9/26; Taiwan denounces accord; 12/19 accord signed.

SEPT. 15. China becomes member of international police organization Interpol; Taiwan is ousted from membership.

OCT. 1. Chinese government holds large celebration to mark 35th anniversary of 1949 revolution, stages first major parade of military equipment since late 1950s.

OCT. 20. Chinese leadership, at 12th plenum of Communist Party Central Committee, announces major set of nationwide market-oriented economic reforms, including limits on central economic direction and planning, increased independence of industrial, manufacturing enterprises.

DEC. 7. Editorial in Chinese newspaper *People's Daily* sharply discounts applicability of Marxism to current Chinese situation; Beijing leadership modifies article 12/10, citing typographical error.

LATIN AMERICA

MEXICO, CENTRAL AMERICA AND THE CARIBBEAN

JAN. 1. Leftist guerrillas from rebel Farabundo Martí National Liberation Front (FMLN) destroy largest bridge in El Salvador, cutting last major traffic route over Lempa River.

— Washington-based Council on Hemispheric Affairs releases report attributing majority of 10,000 politically related deaths in Guatemala and El Salvador to government security forces and right-wing death squads.

JAN. 3. Salvadoran military acknowledges deaths of more than 100 soldiers in 12/30/83 guerrilla takeover of major army garrison at El Paraiso.

JAN. 4. Reportedly responding to US pressure, Salvadoran government announces reassignment overseas of two high officers linked to political killings by right-wing death squads.

— 33 Democratic House members file suit challenging constitutionality of Reagan's 11/83 pocket veto of legislation tying US military aid to Salvador to progress on protection of human rights; Senate votes to join suit 1/26; lower court sustains Reagan's action; appeals court overturns ruling, nullifies veto 10/84.

JAN. 9-14. Delegates from Latin American and Caribbean states hold economic summit in Quito, Ecuador; final communiqué urges new debt aid, regional cooperation in debt renegotiations.

JAN. 11. National Bipartisan Commission on Central America, chaired by former Secretary of State Henry A. Kissinger, releases report denouncing Soviet, Cuban involvement in Central America, recommending increased military aid for El Salvador, broad new program of economic aid to region.

JAN. 11. US Navy pilot Chief Warrant Officer Jeffrey C. Schwab is killed when US observation helicopter is shot down by Nicaraguan troops; Nicaragua condemns intrusion, says helicopter, which crashed on Honduran soil, was fired upon over Nicaraguan territory; US terms incident "reckless and unprovoked."

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JAN. 13. Guatemalan leader Gen. Oscar Mejía Victores announces intention to retain power until 7/1/85 presidential elections.

JAN. 14. Nicaraguan government announces plan to hold national elections for president, vice president, and national assembly in early 1985.

JAN. 16. Reagan Administration, in report to Congress, notes "significant increase" in political killings by Salvadoran right-wing death squads, asserts that Nicaraguan support for Salvadoran rebels remains serious problem.

JAN. 21. Former Grenadian prime minister Sir Eric Gairy, overthrown in 1979 coup, returns from exile.

JAN. 28. Guatemala announces purchase of \$2 million in helicopter spare parts from US; State Department 1/29 denies sale will violate congressional ban on military aid to Guatemala.

FEB. 2. Former US Ambassador to El Salvador Robert E. White, in congressional testimony, accuses US of concealing evidence tying Salvadoran presidential candidate Roberto D'Aubuisson to 1980 murder of Salvadoran Archbishop Oscar Arnulfo Romero y Galdames, names 6 wealthy Salvadoran exiles in US as sponsors of right-wing death squads; State Department denies coverup 2/3.

FEB. 3. Reagan Administration proposes 5-year, \$8-billion aid package for Central America, based on 1/11 Kissinger commission report.

— Rebel forces based in Honduras launch 2 air attacks against Nicaraguan military base and radio station, killing at least 4 Nicaraguan soldiers and reportedly destroying transmitting base of Salvadoran rebel Radio Venceremos.

FEB. 8. Nicaragua announces proposed electoral law establishing new elections for president, vice-president, 90-member National Assembly; Nicaraguan leadership 2/21 sets election date for 11/4/84; Nicaraguan Council of State approves new electoral laws 3/16.

— Rebel forces, in major attack, capture army base at Hacienda Atiocoyo in northwest El Salvador.

FEB. 9. Salvadoran guerrilla leaders urge boycott of 3/25 national elections, but say rebel forces will not forcibly disrupt voting.

— Reagan Administration announces plans for increased US military presence in Central America, including new naval, ground exercises, doubling of US military contingent in Honduras.

FEB. 13. Panamanian President Ricardo de la Espriella resigns, is replaced by Vice President Jorge E. Illueca.

FEB. 22. Interim Grenadian government formally charges 18 former officials in 10/19/83 death of Prime Minister Maurice Bishop; trial begins 10/16 as defendants condemn "military occupation" of country, denounce prison treatment.

MAR. 9. Mexican government announces plans to sell majority of bank stock acquired through nationalization during 8/82 banking, debt crisis.

MAR. 13. Council of General Agreement on Tariffs and Trade sustains Nicaraguan claim that US violated GATT rules by slashing Nicaraguan sugar quotas in retaliation for alleged Nicaraguan subversive activities in Central America.

MAR. 21. US press reports name Salvadoran treasury police chief Col. Nicolás Carranza as paid informant for CIA; Carranza denies accusation 3/22.

MAR. 22. Nicaragua names former revolutionary heroine Nora Astorga to be ambassador to US; US rejects credentials, privately citing Astorga's involvement in assassination of Nicaraguan National Guard general during Sandinista revolution.

MAR. 25. José Napoleon Duarte, head of Christian Democratic Party, wins plurality in Salvadoran national elections with 43.4 percent of vote; Nationalist Republican Alliance candidate Roberto D'Aubuisson takes second place; runoff election date set for 5/6.

MAR. 29. Salvadoran army officials say US aircraft and pilots based in Honduras are flying reconnaissance missions over El Salvador to help follow Salvadoran guerrilla movements.

MAR. 31. Honduran military commander Gen. Gustavo Alvarez Martínez and top aides are forced to resign, deported to Costa Rica; Air Force Gen. Walter López Reyes replaces Alvarez 4/4; US acknowledges ouster 4/1; Nicaragua praises move as boon to regional peace prospects 4/1.

APR. 4. US vetoes proposed UN Security Council resolution condemning mining of Nicaraguan ports; France offers 4/5 to assist in minesweeping operations.

APR. 7. Press reports say CIA has supervised the mining of ports in Nicaragua;

Senate 4/10 and House 4/11 pass resolutions condemning US involvement in minings; Administration aides 4/11 say Reagan approved mining in late 1983.

APR. 9. Nicaragua files appeal with International Court of Justice asking halt to US mining of Nicaraguan harbors, end to support for anti-Sandinista guerrillas; in anticipation of Nicaraguan suit, US says 4/8 it will not recognize court's jurisdiction regarding Nicaraguan case; court convenes 4/17 to consider Nicaraguan claims; Nicaragua asks for restraining order to halt US aid to rebels; court issues order 5/10 over US objections.

APR. 13. Reagan, during congressional recess, uses emergency powers to approve \$32 million in additional military aid to El Salvador.

— Democratic Revolutionary Alliance (ARDE) rebel group reportedly captures southern Nicaraguan coastal village; Nicaragua denies loss; rebel units withdraw 4/17.

APR. 18. Two US army helicopters carrying 2 US senators to inspect Salvadoran refugee camps are fired on after straying over guerrilla-held territory; one helicopter is hit, both return safely to Honduras base with no reported injuries to passengers.

APR. 20. US military begins major Ocean Venture 84 exercises in Caribbean.

APR. 23–25. Estimated 60 persons are killed, 3,500 arrested in riots in Dominican Republic following strike called to protest government-ordered price increases on imported goods, basic foods as part of International Monetary Fund austerity program.

APR. 25. Defense Department says US warships will help patrol Salvadoran coast to prevent arms shipments to guerrillas; US acknowledges 4/28 that US reconnaissance planes have flown missions over Nicaraguan airspace.

APR. 27. Mexico, international banks sign agreement on \$3.8-billion loan package.

MAY 3. Nicaraguan troops clash with Costa Rican security forces on Costa Rican border.

MAY 6. Panama holds national elections; electoral commission 5/16 declares Nicolás Ardito Barletta winner in close presidential race over opponent Arnulfo Arias Madrid after days of disputed vote counts, uncertainty; Ardito Barletta sworn in 10/11.

MAY 6. Christian Democrat José Napoleon Duarte, with 52% of vote, defeats National Republican Alliance candidate Roberto D'Aubuisson in Salvadoran presidential runoff; D'Aubuisson disputes election results 5/8, alleges voting irregularities; government election commission confirms Duarte victory 5/9; Duarte names cabinet 5/31; is sworn in 6/1.

MAY 9. Reagan, in national television address, urges increased aid to combat communism in Central America, highlights Soviet, Cuban threat to region; Democrats, in rebuttal, accuse Reagan policies of widening conflict, increasing tensions.

MAY 10. Haitian government announces ban on all political activity.

MAY 14. Reagan Administration certifies improvement in Haitian human rights record, permitting continuation of US aid.

MAY 15. Press reports say Senate Intelligence Committee chairman Barry Goldwater (R-Ariz) has issued warning to Sen. Jesse Helms (R-NC) for allegedly disclosing classified information about CIA operations in El Salvador; Helms denies violating secrecy rules 5/16.

MAY 16. Mexican President Miguel de la Madrid Hurtado, in address to joint session of Congress, warns against US use of force in Central America, urges US support for Contadora Group negotiating process.

MAY 22. Salvadoran appeals court acquits army officer charged in 1/3/81 murder of 2 US labor advisers.

MAY 24. Five former Salvadoran national guard members are convicted of murdering 4 US churchwomen in 12/80.

MAY 29. At least 3 Haitians are reportedly killed by government troops during food riots in Cap-Haitien.

MAY 30. ARDE rebel group leader Edén Pastora Gómez is wounded by bomb blast during press conference in southern Nicaragua; US journalist Linda Frazier, 6 others are killed in explosion; Pastora transferred to Costa Rican hospital, blames Nicaraguan government for attack 5/31.

— FBI arrests 13 persons in New Orleans for allegedly conspiring to overthrow Haitian regime.

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JUNE 1. US Secretary of State Shultz, in surprise visit, meets with Nicaraguan leader Daniel Ortega Saavedra in Managua.

JUNE 20. Nicaraguan government charges Roman Catholic priest with assisting rebel groups; Nicaraguan Catholic hierarchy denounces accusation 6/22, sponsors protest march through Managua 7/9 to protest priest's arrest; government orders expulsion of 10 foreign priests 7/9 for encouraging opposition to regime.

JUNE 21-22. Eleven major Latin American debtor countries, including Brazil, Mexico, Argentina, Venezuela, Colombia, Peru and Ecuador, hold financial summit in Cartagena, Colombia, to discuss common approach to debt repayment.

JUNE 22. US says plot by right-wing Salvadorans to assassinate US Ambassador to El Salvador Thomas R. Pickering was recently discovered, thwarted.

JUNE 25. Senate votes to rescind additional US aid to Nicaraguan rebel groups.

JUNE 27. US Democratic presidential candidate Rev. Jesse Jackson, visiting Cuba, wins release of 22 imprisoned Americans, 26 Cuban political prisoners; returns to US with freed prisoners 6/29.

JUNE 28. Salvadoran rebels, in major attack, capture Cerron Grande dam, destroy hydroelectric station before retreating.

JULY 1. Moderate Christian Democrats win plurality in elections to 88-member Guatemalan Constituent Assembly, receive 22 seats; second-place National Union of the Center gains 22 seats; third-place rightist coalition wins 21 seats.

JULY 3. Salvadoran rebel groups admit to forcible conscription of civilians in rebel-held areas.

JULY 12-13. US, Cuba hold talks in New York City on return to Cuba of criminals, mental patients who entered US in 1980 boatlift; additional talks held 7/31-8/2.

JULY 13. State Department study says death-squad killings in El Salvador during 1984 have declined to estimated 93 civilian deaths per month.

JULY 17. Nicaraguan Sandinista National Liberation Front names junta coordinator Daniel Ortega Saavedra as front's candidate for president in upcoming 11/84 elections; government announces easing of emergency powers 7/19 to permit campaign for 11/84 national elections.

JULY 18. US Drug Enforcement Administration accuses Nicaraguan government, high Sandinista leaders of participation in large-scale drug trafficking; Nicaragua rejects charges 7/18.

JULY 25. Nicaraguan opposition groups name former central bank head Arturo José Cruz as presidential candidate; Cruz says group will not participate in elections unless government meets 9 opposition demands for liberalization, talks with rightist rebels.

AUG. 8. Reagan Administration, at press conference, presents infrared film footage, other reconnaissance information alleged to show transfer of military supplies from Nicaragua to Salvadoran guerrillas.

AUG. 10. House, Senate approve compromise measure providing \$70 million in new military aid to El Salvador.

AUG. 15. Nicaraguan opposition groups under Cruz drop demand that Nicaraguan government open talks with anti-government guerrillas as precondition for Cruz' participation in 11/84 elections.

AUG. 16. Nicaraguan government says it has begun work on large new military airfield at Punta Huete in southwestern Nicaragua, holds open possibility of acquiring Soviet warplanes.

AUG. 22. Nicaraguan election officials say 3 opposition groups will be stripped of legal standing due to failure to register candidates for 11/84 elections.

AUG. 28. Salvadoran President Duarte establishes 5-member commission to investigate death-squad activities.

SEPT. 1. Nicaraguan armed forces down rebel helicopter, killing 2 former US soldiers aiding rebel group on behalf of private US paramilitary organization.

SEPT. 7. Contadora Group nations meet, produce revised plan for Central American peace including broad disarmament program; Nicaragua, citing threat from US-supported guerrillas, denounces disarmament provisions.

— In largest debt-rescheduling accord in history, Mexico and international banks announce agreement on rescheduling of \$48.5 billion in public sector obligations.

SEPT. 13-14. Eleven Latin American debtor nations meet in Mar del Plata, Argentina, to discuss common approaches to credit, debt problems.

SEPT. 14. Reagan Administration certifies improvement in human rights record of Salvadoran government, permitting continuation of US military aid.

SEPT. 15. Grenada interim government sets 12/3 date for national elections.

SEPT. 16. US military mission in El Salvador says US will provide Salvadoran army with new jet aircraft, up to 15 new helicopters as part of new US aid package.

SEPT. 18. Defense Department confirms that "excess" military aircraft were transferred from military to CIA, which provided them at no cost to Nicaraguan rebel forces; move is criticized in Congress as possible violation of cutoff on aid to rebels.

SEPT. 21. Nicaragua, in policy reversal, offers to sign 9/7 Contadora treaty proposals with no changes, challenges US to follow suit; US refuses, accuses Nicaragua of attempting to manipulate debate 9/22; Nicaragua cites US position as proof of ulterior motives 9/27.

— Sandinista leaders say they have asked for and received postponement of registration deadline for political candidates to 9/30 in order to allow participation of opposition Coordinadora coalition; Coordinadora leaders reject offer.

SEPT. 27. Honduran government says it will prohibit further US training of Salvadoran soldiers at Honduras-based training center until progress is made on Salvadoran-Honduran border disputes.

SEPT. 28–29. Foreign ministers of 9 Latin American states, 12 Western European countries meet in San José, Costa Rica; joint communiqué 9/29 supports Contadora Group efforts, promises modest increase in European aid to region.

OCT. 1. After breakdown of negotiations with Panama government on terms of future operation, US closes military training school at Fort Gulick, Panama.

OCT. 2. Nicaraguan leader Daniel Ortega, in address before UN General Assembly, accuses US of planning to invade Nicaragua; US denounces accusation.

OCT. 8. Salvadoran President Duarte, during speech to UN General Assembly, unexpectedly invites Salvadoran rebel representatives to join direct talks; guerrilla leaders accept offer 10/9; US praises move 10/10.

OCT. 11. US House, Senate vote to continue ban on aid to anti-government Nicaraguan guerrilla forces.

OCT. 12. Former West German leader Willy Brandt arrives in Managua in attempt to aid negotiations regarding registration of opposition Coordinadora group candidates in upcoming national elections; talks fail 10/14.

OCT. 15. President Duarte meets with guerrilla leaders in northern Salvadoran city of La Palma in session mediated by Church officials; joint communiqué announces agreement to form joint peace commission, meet again 11/84; Salvadoran right-wing leader Roberto D'Aubuisson criticizes talks as pointless 10/16; US praises meeting 10/16.

— Press reports say CIA manual prepared for use by Nicaraguan rebels urges blackmail, assassination; Democratic leaders demand investigation 10/17; Reagan orders CIA inquiry 10/18; White House aides say 10/21 Reagan will dismiss any US officials involved in writing manual.

OCT. 19–20. At urging of US, representatives of Honduras, El Salvador and Costa Rica meet to consider modifications to 9/7 proposed Contadora Group treaty; US welcomes modified draft 11/9.

OCT. 19. Four CIA employees are killed in light plane crash near San Salvador; rebel group claims responsibility for crash 10/19.

OCT. 21. Citing unfair voting, campaigning procedures, centrist Independent Liberal Party candidate Virgilio Godoy Reyes withdraws from 11/4 Nicaraguan presidential elections; ruling Sandinista party leadership dismisses importance of withdrawal, says elections will take place as scheduled.

OCT. 23. Fourteen Salvadoran Army members, including top combat commander Col. Domingo Monterrosa, die in helicopter crash in eastern El Salvador; guerrilla radio says helicopter was shot down; Salvadoran army attributes crash to metal fatigue.

Nov. 1. FBI arrests 8 men in Florida for allegedly plotting to overthrow Honduran regime, assassinate Honduran President Roberto Suazo Córdova.

Nov. 4. Sandinista National Liberation Front led by Presidential candidate Daniel Ortega Saavedra and running mate Sergio Ramírez Mercado wins 63% of vote, 61 of 90 National Assembly seats in Nicaraguan national elections; US denounces vote as "farce" 11/5.

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Nov. 6. Reagan Administration accuses Nicaragua of preparing to receive MiG-21 warplanes in transit from USSR on Soviet freighter, warns USSR against introducing sophisticated arms into region; Nicaragua denies claim 11/7; ship arrives in Nicaragua 11/7, is found to contain only helicopters.

Nov. 10. CIA investigation ordered 10/14 to determine authorship of controversial manual for Nicaraguan rebels finds no US laws broken, but recommends disciplinary action for intelligence employees involved; Reagan Administration punishes 6 middle-ranking CIA officers 11/14 for role in producing manual; officers reportedly resist punishment, claiming to be scapegoats for more senior officials.

Nov. 12. Nicaragua, warning of US plans for imminent invasion, places armed forces on full alert; US acknowledges Caribbean exercises, but dismisses Nicaraguan fears as "needless" 11/13.

Nov. 19. Explosion at Mexican liquified natural gas facility kills more than 300, injures thousands as crowded shantytowns nearby are set afire.

Nov. 24. US-supported Nicaraguan Democratic Force rebel group announces dismissal of top official, Edgar Chamorro Coronel, reportedly for public criticism of US policy toward group.

Nov. 26. Denying US jurisdictional objections, International Court of Justice votes to hear Nicaraguan suit brought 4/9 demanding end to US support for Nicaraguan rebel groups; US regrets court's decision.

Nov. 30. Salvadoran President Duarte, rebel officials hold second set of talks; rebel leaders propose peace plan including cease-fire, end to US involvement; Duarte rejects proposal, denounces rebel approach to talks 12/1.

DEC. 4. Centrist New National Party, in Grenadian national elections, wins 14 seats in 15-member parliament; NNP leader Herbert Blaize is sworn in as prime minister 12/4.

DEC. 13. Prominent newspaper publisher Pedro Joaquín Chamorro, Jr., citing increased censorship, repression, leaves Nicaragua for exile in Costa Rica.

DEC. 14. Belize holds first national elections since 1981 independence; opposition United Democratic Party wins 21 seats in 28-member National Assembly; party leader Manuel Esquivel named prime minister.

— US, Cuba announce accord on repatriation of 2,746 Cuban criminals and mental patients who entered US in 1980 Mariel boatlift; US agrees to admit additional Cuban refugees, political prisoners.

DEC. 22. Salvadoran army, rebel forces begin 13-day Christmas truce; army accuses rebels of breaking truce in 12/24 attack on northern village.

SOUTH AMERICA

JAN. 6. Peruvian police report capture of second-ranking Shining Path guerrilla leader Emilio Antonio Dias Martínez in 12/83 raid.

JAN. 7. Newspaper publisher Jacobo Timmerman returns to Argentina after 5 years in exile.

JAN. 8. Suriname military leader Lt. Col. Desi Bouterse dissolves civilian government in attempt to resolve deepening labor unrest, economic decline; workers sabotage hydroelectric power plant 1/10; army called in to protect production facilities 1/11.

JAN. 9-14. Delegates from Latin American and Caribbean states hold economic summit in Quito, Ecuador; final communiqué urges new debt aid, regional cooperation in debt renegotiations.

JAN. 10. Former Argentine President Reynaldo Bignone is arrested in connection with 1976 disappearances of 2 communists from War College then headed by Bignone.

— Guyana announces 20% devaluation of Guyana dollar.

JAN. 18. Uruguayan unions stage general strike to demand pay raise, return to democracy; army breaks up factory sit-in in Montevideo 1/19.

— US rancher Russell Martin Stendhal, kidnapped 8/83 by Colombian rebel People's Liberation Army, is released unharmed after payment of undisclosed ransom.

JAN. 23. Argentina and Chile, in ceremony at Vatican, sign accord pledging friendship, agreeing to seek peaceful resolution of long-standing dispute over Beagle Channel.

JAN. 25. Estimated 200,000 Brazilians march in São Paulo to protest military rule; second rally 1/27 in city of Olinda draws 60,000.

— Chile and international bank creditors reach agreement on restructuring of \$1.6 billion in short- and medium-term public debt.

JAN. 27. Brazil and international banks sign new \$6.5-billion loan package.

JAN. 28. Social Democratic candidate Rodrigo Borja wins 28.7% of vote in Ecuadoran national elections, setting stage for 5/84 runoff vote against second-place winner León Febres-Cordero of Conservative Party, who received 27.8% of vote.

FEB. 1. Chile rejects Israeli request to extradite former Nazi officer Walter Rauff, now living in Santiago.

FEB. 2. Venezuelan President Jaime Lusinchi, elected 12/4/83, assumes office.

FEB. 21. Argentine military tribunal orders arrest of former President Leopoldo Galtieri in connection with role in 1982 Falklands War.

MAR. 14. Colombian President Belisario Betancur Cuartas declares state of seige following rebel attack on city of Florencia; leaders of M-19 guerrilla group reportedly denounce raid 3/17 as unauthorized breach of 6-month-old cease-fire.

MAR. 23. Chilean government declares state of emergency after continued unrest, terrorist bombings; police kill 5 demonstrators, arrest hundreds in day of national protest 3/27; government imposes press censorship, closes universities.

MAR. 28. Colombian government announces cease-fire agreement between security forces, guerrillas of Revolutionary Armed Forces rebel group; truce takes effect 5/28.

MAR. 30. US announces \$500-million multinational emergency loan package to avoid Argentine default on estimated \$2.5-billion in overdue interest payments; US offer to guarantee \$300-million loan as part of package is allowed to expire 6/15, renewal is denied.

APR. 6. Bolivian government announces broad new economic austerity program, raising consumer prices, utility rates, devaluing peso; workers stage general strike 4/13.

APR. 9. Peruvian Prime Minister Fernando Schwalb López Aldana resigns in policy dispute; Sandro Mariategui is sworn in to replace him 4/12.

APR. 10. Crowd of more than 500,000 Brazilians marches demanding end to military rule; protest march in São Paulo 4/16 attracts estimated 1 million persons demanding direct presidential elections; President João Baptista Figueiredo 4/16 announces compromise measure allowing return to democracy by 1988.

APR. 18. Brazilian government imposes state of emergency in anticipation of 4/26 congressional vote on direct presidential elections; emergency powers suspended 5/2.

APR. 26. Brazilian Chamber of Deputies rejects constitutional amendment establishing direct presidential elections to replace existing electoral college system.

APR. 30. Gunmen assassinate Colombian justice minister Rodrigo Lara Bonilla in apparent retaliation for recent crackdown on drug trafficking; President Belisario Betancur Cuartas declares state of siege 5/1, refers drug cases to military court system 5/2, agrees to extradite accused drug traffickers to US 5/3.

MAY 1. Riot police fire into crowd of Chilean demonstrators at May Day rally, wounding 30; 80 people are arrested.

MAY 6. National Reconstruction Front candidate León Febres-Cordero Rivadeneira wins presidential runoff elections in Ecuador, defeating Democratic Left candidate Rodrigo Borja Cevallos; Febres-Cordero sworn in 8/10.

MAY 20. Former Argentine President Isabel Martínez de Perón returns to Argentina from exile in Spain.

JUNE 5. Peru, international creditors announce agreement on rescheduling of \$1 billion in foreign loans.

JUNE 7. Argentine President Raúl Alfonsín and former President Perón sign agreement urging Argentine national unity, pledging efforts to reinforce democracy; Perón returns to Spain 6/8.

JUNE 8. Peruvian government announces 30-day state of emergency in response to civil-servant strike.

JUNE 11. Argentina unilaterally submits compromise economic plan to International Monetary Fund, reportedly seeking relaxation of IMF's proposed austerity guidelines.

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JUNE 13. US allows 3/31 offer to guarantee \$300-million Argentine loan to expire.

JUNE 16. Opposition leader Wilson Ferreira Aldunate is arrested by Uruguyan security forces upon his return from 11 years of exile in Argentina, is charged with subversion; 11/28 Supreme Court dismisses charges; 11/30 released.

JUNE 21-22. Eleven major Latin American debtor countries, including Brazil, Mexico, Argentina, Venezuela, Colombia, Peru and Ecuador, hold financial summit in Cartagena, Colombia, to discuss common approach to debt repayment.

JUNE 28. Brazilian President Figueiredo withdraws proposal to permit free direct presidential elections in 1988.

JUNE 29. Argentina, international banks announce agreement on \$350-million emergency loan package.

JUNE 30. Bolivian President Hernán Siles Zuazo is reportedly kidnapped in coup attempt; is rescued unharmed 10 hours later; estimated 100 police, right-wing military officers are arrested for participation in revolt 7/2.

JULY 4-5. Argentine President Alfonsín dismisses army chief of staff, 3 other top officers.

JULY 19. UK-Argentine talks on Falkland Islands end in mutual recriminations after 1 day.

JULY 29. Venezuelan passenger jet is hijacked en route from Caracas to Curaçao; Venezuelan commandos, acting with advice from elite US military team, storm plane on Curaçao 7/31, kill hijackers, free hostages unharmed.

AUG. 2. Argentine military court orders detention of Lt. Gen. Jorge Rafael Videla on charges stemming from disappearances and deaths of thousands of Argentines during his tenure as nation's president, 1976-81.

AUG. 3. Uruguyan military government, opposition leaders reach agreement on plan for transition to civilian government calling for national elections 11/25, transfer of power 3/1/85.

AUG. 11. Guyana Prime Minister Ptolemy Reid retires due to ill health; former Vice President for Production Desmond Hoyte is named to replace him.

AUG. 24. Colombia announces signing of cease-fire agreements with M-19 rebels, 2 other left-wing guerrilla groups; truces take effect 8/30.

SEPT. 3. Argentine labor unions stage nationwide 1-day strike to press wage demands.

SEPT. 4-5. Chilean opposition groups call two days of national protest against Gen. Augusto Pinochet Ugarte's regime; 9 die as police battle demonstrators; government extends emergency powers for additional 6-month period 9/10; Pinochet, in 9/10 speech, says he will not relinquish power before 1989.

SEPT. 17. Chilean government announces 19% devaluation of peso.

SEPT. 20. Special Argentine commission appointed to investigate disappearances and deaths during anti-terrorist measures of late 1970s releases report describing widespread military, police repression, torture.

SEPT. 25. Argentina announces agreement with IMF on new program of economic austerity aimed at reducing foreign debt.

OCT. 12. Peruvian Prime Minister Sandro Mariategui Chiappe resigns to seek Senate seat; is replaced by Interior Minister Luis Percovich Roca.

OCT. 18. Argentina, Chile sign treaty resolving dispute over sovereignty of Beagle Channel along lines prescribed by Vatican mediators.

OCT. 21. Brazil extradites former leader of Argentine Montonero guerrilla group, Mario Eduardo Firmenich, to stand trial in Argentina on murder, terrorism charges.

NOV. 6. Chilean President Pinochet declares state of siege after growing unrest in wake of national protests 10/29-10/30, imposes curfew, assumes broad new arrest, censorship powers; police, army troops raid slum areas, round up male populations to screen for suspected terrorists 11/10, 11/15; Secretary of State George P. Shultz deplores Chilean developments 11/12.

NOV. 23. Ten US diplomats and dependents leave Colombia after repeated death threats, violence near embassy stemming from recent crackdown on drug smuggling.

NOV. 25. Colorado Party candidate Julio María Sanguinetti receives 38% of vote to win first Uruguyan presidential elections since military seized power 2/8/73.

DEC. 2. Argentina reaches accord with international banks on \$18-billion package of loan restructuring, new loans.

DEC. 12. Inter-American Development Bank approves \$48-million loan to Chile.

AFRICA

JAN. 3. Nigerian leader Maj. Gen. Mohammed Buhari, having seized power from former President Shehu Shagari in 12/31/83 coup, announces formation of new ruling 19-member Supreme Military Council.

— International Monetary Fund (IMF) approves \$359.6 million in new loans, credits to Zaïre.

JAN. 6. UN Security Council demands end to South African military incursion in southern Angola begun 12/6/84, calls on UN member states to aid Angola; US, UK abstain.

— Following deaths of 60 persons in protest riots, Tunisian President Habib Bourguiba rescinds large food-price increases announced 12/29/83.

JAN. 7. South Africa endorses prospect of direct negotiations between administrator general of Namibia and representatives of South-West Africa People's Organization (SWAPO).

JAN. 8. South African Defense Minister Magnus Malan announces withdrawal of South African forces from southern Angola.

— Diplomatic sources say Cuba has begun withdrawing estimated 7,000 men from 10,000-troop contingent in Ethiopia.

JAN. 9. Chad President Hissen Habré, denouncing ceremonial reception of insurgent leader Goukouni Oueddei by OAU chairman Mengistu Haile Mariam, refuses to join in OAU-sponsored peace talks on Chad conflict; Mengistu announces collapse of peace efforts 1/13.

JAN. 12. Algerian President Col. Chadli Benjedid wins one-party election for second 5-year term; names new cabinet 1/22.

JAN. 17. South Africa and Mozambique begin talks on security, economic cooperation.

JAN. 25. Libyan-backed Chad guerrillas down French warplane, killing pilot; France blames Libya for incident 1/26, announces addition of 7 new combat planes to force in Chad 1/27.

JAN. 31. South African forces begin withdrawal from southern Angola; South African and Angolan officials, meeting 2/16 in Lusaka, Zambia, agree on joint commission to monitor progress of disengagement.

FEB. 3. Zimbabwe government, citing danger from South African-trained insurgents, imposes curfew in southwestern Matabeleland region; opposition leader Joshua Nkomo accuses government of atrocities in Matabeleland 2/14.

FEB. 6. Ethiopia, without explanation, expels 4 U.S. diplomats; US ousts 2 Ethiopian envoys in retaliation.

FEB. 27. Fighting erupts between police and banned Muslim group in northern Nigeria; up to 1,000 reportedly die as violence continues through 3/4.

FEB. 29. Local Kenyan officials report massacre of more than 300 Degodia tribesman by government troops 2/10-2/14.

MAR. 1. South Africa releases Andimba Ja Toivo, imprisoned SWAPO guerrilla movement founder, after 16 years in detention.

MAR. 6. Zimbabwean government reports discovery of mass graves containing bodies of estimated 4,000 persons allegedly murdered by white government security forces during Rhodesian civil war.

MAR. 11. Ethiopia, accusing US of fostering Sudanese arms build-up, withdraws from scheduled 3/12 talks with Sudan on easing tensions.

— South Africa, in policy reverse, proposes direct talks with all parties involved in Namibia dispute, including SWAPO guerrilla movement; US welcomes offer 3/12; SWAPO agrees to meeting 3/12 if talks are limited to Namibian independence; Angola, citing planned inclusion of opposition National Union for the Total Liberation of Angola, refuses to join talks 3/13.

MAR. 16. Mozambique and South Africa sign nonaggression agreement aimed at restricting South African support for Mozambique National Resistance rebels in return for closing of Mozambique territory to guerrillas of African National Congress; ANC denounces pact; US praises accord as "turning point" 3/17.

— Five persons are killed as Soviet-made bomber attacks Sudanese city of

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Omdurman; Sudan accuses Libya of responsibility; US sends surveillance planes to Egypt to help monitor area 3/18; withdraws planes 4/9.

MAR. 24. Mozambique authorities raid homes of suspected ANC activists in Maputo.

— Ghana government reportedly puts down coup attempt.

MAR. 27. President Ahmed Sékou Touré of Guinea dies; Prime Minister Louis Lansana Béavogui becomes acting president 3/27; armed forces take power in coup 4/3; Col. Lansana Conte is named president, head of ruling military council 4/5.

MAR. 31. South Africa and Swaziland disclose existence of secret 1982 non-aggression pact similar to 3/16 agreement between South Africa and Mozambique.

APR. 3. Car bomb kills 3, wounds 16 in Durban, South Africa; South Africa blames attack on ANC guerrillas.

APR. 7. Cameroon President Paul Biya says loyal military forces have foiled 4/6 coup attempt by presidential guard units; fighting continues through 4/9; coup plotters reportedly executed 5/9.

APR. 15. Two US diplomats are killed by terrorist bomb in Namibia; US officials 4/17 say attack was random terrorism, not aimed at envoys.

APR. 17. British policewoman is killed and 10 anti-Libyan protestors are wounded by machine-gun fire from Libyan embassy during demonstration against Libyan government; UK seals off embassy after occupants refuse to surrender; UK breaks off diplomatic relations with Libya 4/22, orders diplomats in embassy to leave by 4/29; occupants of embassy leave for Libya 4/27.

APR. 19. Car bomb explosion near barracks of Cuban soldiers in Huambo, Angola, kills 24 persons, including 10 Cubans; Cuba blames CIA 4/25.

MAY 7. Ethiopian chargé d'affaires in Washington Tesfaye Demeke requests political asylum in US.

MAY 8. Estimated 25 anti-government guerrillas in attempt to assassinate Libyan leader Muammar al-Qaddafi; Qaddafi blames attack on US, UK; UK rejects accusation 5/9.

MAY 11–13. South African, SWAPO representatives hold talks in Lusaka, Zambia, to seek agreement on political solution to Namibia conflict; talks end with no apparent progress.

MAY 27. Upper Volta government reportedly foils coup scheduled for 5/28; 7 members of armed forces are executed 6/11 for role in plot.

MAY 29–JUNE 14. South African Prime Minister P.W. Botha visits 8 West European nations in first official trip to Western Europe by South African head of state since early 1960s.

JUNE 12. US says it has lifted ban on economic assistance to Mozambique, announces initial \$500,000 aid program.

JUNE 13. Sudan says it killed 255 rebels during two recent clashes in southern Sudan, reports 8 government troops dead.

JULY 5. Former Nigerian cabinet official Umaru Dikko is found drugged in crate prepared for shipment to Lagos on Nigerian Airways plane; Nigeria protests, detains British Caledonian plane in retaliation; both planes released 7/7; UK charges Nigerian, 3 Israelis with kidnapping Dikko 7/10, expels 3 Nigerian diplomats 7/13.

JULY 10–11. OPEC member nations meet in Vienna, reaffirm price, production levels, grant small production increase to Nigeria.

JULY 26. Liberian regime lifts ban on political activity, announces plans for general elections by late 1985.

JULY 30. Congo President Col. Denis Sassou-Nguesso is elected to second 5-year term.

AUG. 3. Upper Volta officially changes its name to Burkina Faso.

— State Department official says 100,000–200,000 persons have died in recent months from political killings and starvation in Uganda; Uganda denies charge as “categorically untrue.”

AUG. 10. Second Party Congress of ruling Zimbabwe Africa National Union-Patriotic Front in Zimbabwe approves new charter calling for gradual transition to 1-party state.

AUG. 13. Morocco, Libya sign accord technically merging two states; US expresses concern about pact 8/15.

AUG. 22. With estimated 18% of eligible mixed-race voters participating, Labor

Party led by Rev. Allan Hendrickse wins 76 of 80 seats open to mixed-race "Coloureds" in new 3-chamber South African Parliament; opposition groups urge voting boycott.

AUG. 28. With 20% turnout among eligible Indian voters, National People's Party wins 18 of 40 seats open to Indians in new 3-chamber South African Parliament; opposition groups again lead election boycott.

SEPT. 4. Zimbabwe releases former Prime Minister Abel Muzorewa after 10-month detention for allegedly plotting to overthrow Mugabe regime.

SEPT. 5. Under terms of new national constitution, Prime Minister Botha is elected South Africa's first executive president by representatives of new tricameral parliament.

SEPT. 15, 16. French Foreign Minister Claude Cheysson and Libyan leader Qaddafi meet in Libya; announce agreement 9/17 on simultaneous withdrawal of military units from Chad; pullout begins 9/25.

SEPT. 29. Sudan President Gaafar al-Nimeiri lifts state of emergency, abolishes special Islamic "courts of decisive justice."

OCT. 3. Mozambique announces agreement on cease-fire with rebel MNR guerrillas; both sides dispute terms of purported agreement, sporadic fighting continues.

OCT. 16. South African Protestant clergyman Bishop Desmond Tutu is awarded Nobel peace prize; Tutu's prize ceremony in Stockholm is disrupted by bomb threat 12/10.

OCT. 29. UN releases report stressing magnitude of current drought, famine in Ethiopia; private relief-collection efforts grow in US; US, other nations begin large-scale relief airlift.

Nov. 10. France, Libya announce completion of military withdrawal from Chad; US disputes announcement, says Libyan soldiers remain in country.

Nov. 12-15. Organization of African Unity holds annual conference in Addis Ababa; Moroccan delegation walks out 11/12 to protest participation of rebel Polisario guerrillas; Tanzanian President Julius Nyerere is elected group's chairman.

Nov. 15. In talks secretly arranged by Greek Prime Minister Papandreou, French President François Mitterrand and Libyan leader Qaddafi meet on Crete to discuss Chad pullout; Mitterrand 11/16 says Libyan troops have not been withdrawn despite Qaddafi assurances; France tells US 11/19 its troops will return to Chad if Libyans do not withdraw.

Nov. 16. Libyan press reports say former Prime Minister Abdul Hamid Bakkoush has been killed by revolutionary activists; Egypt, in surprise move, produces Bakkoush alive 11/17, says it uncovered assassination plot, staged fake murder to expose Libyan involvement.

DEC. 7. Nobel laureate Tutu meets with Reagan in Washington, denounces US policy toward South Africa.

DEC. 12. Three black dissident leaders agree to leave UK consulate in Durban, South Africa, after 91-day protest occupation; two are immediately arrested, charged with high treason.

— President Mohammed Khouna Ould Haidalla of Mauritania is ousted by armed forces chief Col. Maouya Ould Sisi Ahmed Taya while at conference in Burundi.

OTHER GLOBAL DEVELOPMENTS

FEB. 3. Space shuttle *Challenger* begins 10th US shuttle flight; 2 major communications satellites aboard shuttle fail on launching 2/3, 2/6; Navy Capt. Bruce McCandless executes first untethered spacewalk 2/7; mission returns safely 2/11.

FEB. 8. XIV Winter Olympic Games open in Sarajevo.

— USSR launches Soyuz-10 spacecraft carrying 3 cosmonauts; craft docks with orbiting Salyut-7 space station 2/9; crew returns safely to earth 10/2 after record 237 days in space.

MAR. 12. João Clemente Baene Soares of Brazil is elected Secretary General of Organization of American States (OAS), replacing Alejandro Orfila; assumes post 6/20.

APR. 3. Indian Air Force pilot Rakesh Sharma, launched with 2 Soviet cosmo-

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nauts aboard Soyuz T-11 spacecraft, becomes first Indian in space; mission ends safely 4/11 after successful docking with orbiting Salyut 7 space station 4/4.

APR. 6. Space shuttle *Challenger* begins 7-day flight; crew successfully repairs damaged Solar Maximum Mission satellite 4/11; mission returns to earth safely 4/13.

APR. 12. Permanent council of OAS votes [26-0] to censure former Secretary General Alejandro Orfila for violating OAS rules by working for US company during tenure at OAS.

APR. 18. US District Court rules in favor of France and other plaintiffs in suit against Standard Oil Company (Indiana) for damages in oil spill caused by 1978 sinking of tanker *Amoco Cadiz* off French coast.

— Vice President George Bush, in Geneva at Conference of Committee on Disarmament, presents US proposals, draft treaty for banning of chemical weapons.

JULY 12. Uruguayan Methodist minister Rev. Emilio Castro is elected leader of World Council of Churches.

JULY 17. USSR launches Soyuz T-12 spacecraft carrying 3 cosmonauts; ship docks with orbiting Salyut 7 space station 7/18; cosmonaut Svetlana Savitskaya becomes first woman to walk in space 7/25; mission returns safely to earth 7/29.

JULY 28. XXIII Summer Olympic Games open in Los Angeles.

AUG. 6-14. UN holds second International Conference on Population in Mexico City.

AUG. 18. Soviet-bloc Friendship '84 games begin in Moscow.

AUG. 25. French cargo ship carrying radioactive material for enrichment in USSR collides with ferry in North Sea, sinks; salvage operations begin 9/29.

AUG. 27. Reagan says first "citizen passenger" on US space shuttle will be elementary- or secondary-school teacher.

AUG. 30. After repeated delays, space shuttle *Discovery* begins first flight; successfully deploys three satellites 8/30-9/1; returns safely 9/5.

SEPT. 3. Vatican releases essay denouncing so-called liberation theology, terming Marxism "incompatible" with Church teachings.

SEPT. 18. UN General Assembly opens 39th annual session in New York; Paul John Firmino Lusaka of Zambia is elected president of assembly.

OCT. 5. Space shuttle *Challenger*, carrying 7-member crew, begins sixth mission; crew deploys satellite 10/5, carries out earth-imaging experiments 10/6-10/7; returns safely to Florida landing site 10/13.

NOV. 8. Space shuttle *Discovery* is launched on second flight; crew recovers 2 satellites lost on earlier shuttle mission 2/3, 2/6; returns them to earth 11/16.

DEC. 17. US says scheduled 1/23/85 space shuttle mission be devoted to carrying secret military cargo, imposes extensive security, secrecy restrictions on flight information.

DEC. 19. USSR launches reusable space shuttle vehicle; craft returns to splash-down in Black Sea after single earth orbit.

— US, citing mismanagement, political bias, reaffirms intention to withdraw from UN Educational, Scientific, and Cultural Organization 12/31.

FOREIGN AFFAIRS

**AMERICA
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